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NEW GEOGRAPHIES OF RETAILING: AN INVESTIGATION OF DEVELOPMENTS AT AIRPORTS, RAILWAY STATIONS, HOSPITALS AND SERVICE STATIONS

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Submitted for the degree of Doctor of Philosophy

Department of Geography, Faculty of Science

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ABSTRACT

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NEW GEOGRAPHIES OF RETAILING: AN INVESTIGATION OF DEVELOPMENTS AT AIRPORTS, RAILWAY STATIONS, HOSPITALS AND SERVICE STATIONS

by Simon James Bills

The future of retailing is more dynamic than it has been for many decades. The location and organisation of retailing have undergone significant transformations throughout the 1980s and 1990s. One manifestation of this changing retail landscape has been the increasing significance of hitherto un(der)developed sites such as airports, railway stations, hospitals and service stations. These transformations in the retailing industry are embedded in wider processes of change in the economic, political, cultural and social landscape of the UK. This thesis demonstrates that such retail change is not a response to any one of these influences in isolation but it is the combination of these influences that has produced the particular retail developments witnessed today.

This thesis explores the development of retailing in airports, railway stations, hospitals and service stations. It examines the role played by wider processes of change (economic, political, cultural and social) in shaping contemporary retail development. Consequently, this thesis investigates the development of retailing in such sites from several perspectives. It examines the economic and political influences that have led landlords and retailers to develop these sites as retail locations. The thesis then investigates the social and cultural trends that are shaping the behaviour of consumers, exploring the changing consumption patterns which are fuelling retail growth in these sites. The thesis thus presents a comprehensive account of the growth of retailing in non-traditional locations in the UK, utilising political-economic analysis alongside social and cultural explanations of change to explain the changing geography of retailing.

I declare that the work within this thesis is my own, unless otherwise stated. The thesis was entirely written whilst I was registered in postgraduate candidature. No part of this thesis has been submitted for any other degree.

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Chapter One

Geographical Approaches to Retailing

Introduction

The study of retail geography, or geographies of retailing, is neither static nor unidirectional and is an area of enquiry that has expanded significantly in recent years. This chapter will briefly examine the development of retail geography by outlining three major 'traditions' of scholarship in this field. The chapter will then demonstrate how two of these traditions have been drawn together recently to produce what has been described as 'new' retail geography (Blomley, 1996; Lowe and Wrigley, 1996). These two main strands of thought will be examined in greater depth, exploring the development of the political, economic and cultural perspectives which form the roots of this 'new' retail geography. Throughout the chapter I will demonstrate the ways in which this thesis aims to develop both these traditions, and by implication, 'new' retail geography, by exploring retail growth in airports, railway stations, hospitals and service stations. The chapter then concludes by outlining the arguments of the thesis and the content of each individual chapter.

Three Traditions of Retail Geography

Three distinct theoretical and methodological traditions have been developed as geographers have sought to explain retail development, each having its own historical origins. These retail geographies can be defined by the theoretical foundations upon which they are based and can be broadly described as orthodox retail geography; a political economic approach (sometimes described as 'new' economic geographies of

retailing); and a cultural approach, (again, sometimes described as 'new' cultural geographies of retailing).

One approach to the study of retail geography has been described as 'orthodox' retail geography and within this tradition, two main strands of thought can be discerned (Clarke, 1996). The first is empirically driven and concerned with describing the changing spatial structure of retailing (see, for example, Guy, 1980; Jones and Simmons, 1990; Wrigley, 1988). The second is described by Clarke (1996) as a more mathematical approach to retailing, which includes modelling (see, for example, Wilson and Bennett, 1985; Wrigley, 1988). These strands of research have their origins in the quantitative revolution and the spatial science of the 1950s and 1960s and have positivism at their root (Clarke, 1996; Cloke et al, 1991; Johnston et al, 1986).

This orthodox retail geography has been critiqued in much the same manner as quantitative geography and spatial science more generally (see, for example, Clarke, 1996; Cloke et al, 1991; Fine 1995; Gregory, 1978). Clarke (1996) puts forward three areas of critique of orthodox retail geography. First he argues that much orthodox retail geography is founded on predictive and instrumentalist epistemology. This, it is argued, means that the knowledge produced by orthodox retail geography aims to verify a certain view of the world and create knowledge based on that view. Such knowledge is therefore neither objective nor neutral and can be produced by retail planners in a way that balances the benefits of retail development in particular locations (for example job creation) against the negative impacts that may be associated with such developments (such as pollution and the decline of town centres) (Clarke, 1996). Second, Clarke notes that most of the ontological presumptions of orthodox retail geography are linked to the neo-classical economic view of the world and as such, rest on an impoverished conception of space. A neo-classical conception conceives of space as a politically and economically neutral surface which affects retailing only through the function of distance and resultant transportation costs. And further to this, Clarke argues that orthodox retail geography is

dependent upon the notion that supply and demand act in a self regulatory manner to reach a state of equilibrium, with retailers and consumers both acting in a rational and optimising manner when they supply or consume. Such an approach to understanding the actions of retailers and consumers tends to concentrate on the individualistic nature of supply, consumption and consumer sovereignty without examining their historical origins, or the way in which retailers and consumers interact in society (see Johnston et al, 1986). Moreover, the notion of 'rational economic man' is employed without attention to the gendered and cultural assumptions of such understandings, rendering orthodox retail geography powerless to elucidate the role played by social structures and social relations in shaping retail development in a capitalist economy.

Orthodox retail geography has remained important due to its power in mapping retail location. It is currently utilised by retail managers, planners and academics in conjunction with geographical information systems to generate models that help contribute to better planning within organisations in both public and private sectors (Birkin et al, 1996). Such modelling techniques are employed to generate improved knowledge of geographical systems and so provide increasingly accurate insights into the impacts of potential changes in retailing. In the context of retailing, these models can be employed by retailers to monitor markets and market change, define demand, control supply and aid in location strategy and decision making (see for example Birkin et al, 1996; Longley and Clarke, 1995).

At the end of the 1970s and during the 1980s, however, scholars in the field of economic geography began to examine the changing space-economy from a (Marxist) political economy perspective. This approach had its roots in the 'catastrophic de-industrialisation' taking place at the time and can, in many ways, be regarded as a critique of the orthodox approach outlined above (Cloke et al, 1991; Walker, 1989). The philosophy underpinning this approach was a belief that deeper structural factors, such as local and national government policies along with the actions of financial institutions,

have a determining impact on spatial outcomes. This political economy perspective resulted in what has been termed a 'new' economic geography which addressed issues of uneven development, regional development, labour restructuring, industrial restructuring and the more abstract notion of a transition from Fordism to flexible accumulation.

Some commentators have noted that this political economy perspective initially did little to enhance an understanding of either the service sector or more particularly, the retail sector, instead tending to focus on production (Gertler, 1992; Scott and Storper, 1986). However, as this tradition of research has developed, geographers have increasingly turned their attention to the service sector and the information economy (see, for example, Christopherson, 1989; Crang 1990; Urry 1987). It is significant that retail geography was initially marginalised and was one of the last areas to feel the impact of 'new' political economy perspectives. The persistence of the orthodox approach (outlined above) and the paucity of theoretical interest amongst retail geographers largely account for this late development (Clarke, 1996; Ducatel and Blomley, 1990; Lowe and Wrigley 1996).

The retheorization of retail geography that took place in the early 1990s, utilising a political economy perspective, resulted in a shift in the way retail geographers study the subject. This productive encounter between retail geography and political economy prompted scholars to explore issues such as: retail capital and retail restructuring, retailing and the transformation to flexible accumulation, and retailing and regulation (Lowe and Wrigley, 1996; see for example Marsden and Wrigley, 1995; 1996). More recently still, the influence of cultural studies on political economy is leading to scholarship that is more inclusive in approach, examining the cultural construction of economic forms and the complex inter-linkages between production and consumption (Barnes, 1996).

Although 'new' economic geographies of retailing have managed to address questions of retail restructuring and location in a manner that is far more appreciative of

the economic context in which such activities are taking place, many authors maintain that understanding the processes of capitalism (and retailing which is central to this) "...involves much more than a simple mapping of the contours of economic change, narrowly conceived" (Jackson, 1993: 207; see also Clarke, 1996; Fine, 1995; Lowe and Wrigley, 1996). These economic changes are argued to involve more than the determining rationality of the economy and economic forces. Economic changes are themselves viewed as being culturally encoded, incorporating a cultural logic as well as an economic one (Clarke, 1996; Jackson, 1993; Lowe and Wrigley 1996). The study of this 'cultural logic' is therefore not only relevant, but essential to the study of capitalism, and particularly, to understanding the development of retailing in modern society. This cultural perspective has been incorporated within human geography as part of a recent 'cultural turn' that came at the end of the hegemony of Marxist political economy in the discipline (Jackson and Thrift, 1995). The role of consumption, the consumer and notions of culture have thus come to prominence as central elements in the lexicon of retail geography during the 1990s. And it is this attention to cultural processes which identifies the third major tradition of thought in retail geography.

Prior to this 'cultural turn', geographical accounts of consumption and retail studies rarely gave due consideration to the consumer in 'producing' places of consumption. Jackson and Holbrook (1995: 1914) suggest that geographical accounts of consumption spaces have tended to consider the consumer in terms of a passive mass society where individuals are "...mere pawns in the hands of the faceless 'hidden persuaders'" (see for example Goss, 1993; Shields 1992). Many geographical accounts had been preoccupied with finding the economic causes of consumption and cultural change and in order to understand the cultural logic of retailing, a new perspective needed to be developed (Dowling, 1993). Such a perspective originated outside the discipline of geography, in cultural studies, social history and feminist studies. In these diverse bodies of scholarship it was recognised that the processes of retailing involved more than the simple sale and distribution of goods (Miller, 1987). Rather, the retail process also

involved the production of the cultural meanings attached to particular products. By taking a geographical approach to these questions, scholars such as Dowling have suggested that retail environments should be understood as contexts in which the cultural meanings of commodities are produced and negotiated, and consequently, they are sites where consumer identities are constructed and negotiated (Dowling, 1993). From this perspective it is important to recognise the ways in which retail managers attempt to create a 'unique sense of place' that appeals to many groups in modern society and at the same time, produces a context for creating identities (Dowling, 1993; Morris, 1988; Mort, 1988). Attention to place and the creation of a sense of place are therefore important in understanding how retailers and landlords in sites such as airports, railway stations, hospitals and service stations attempt to reassure the consumers that these are authentic sites for consumption. Recent geographical research into consumption has drawn attention to this cultural perspective and has broadened the areas of retailing considered. This expansion of the cultural perspective is evident in the development of studies examining the places in which consumption takes place and the experience associated with contemporary consumerism (Blomley, 1996; Domosh, 1996; Jackson and Thrift, 1995; Lowe and Wrigley, 1996).

'New' retail geography

The cultural turn in human geography extends beyond any examination of the chains, spaces, places and nature of consumption in contemporary society. Questions of culture are now of interest to many geographers as they seek less economistic explanations for phenomena, developing a wider conception of the economy (see Barnes, 1996; Crang, 1997). This reconstitution has led political and economic geographers to reassess the concepts and approaches used so that they can explore the ways in which economic and non-economic processes interact. The concept of culture is therefore utilised as a resource to re-write and better understand contemporary society and economy (Chaney, 1994). This growing cultural sensitivity within political-economic geography has led Massey (1997), for example, to explore the ways in which high-technology workplaces are more

than the product of economic processes, linking them to the development of cultural history and contemporary cultural processes. As such, Massey provides an understanding of the economy that is far more complex and detailed than might previously have been the case.

Similarly, retail geographers are now beginning to combine economic and cultural perspectives in understanding retail change. Lowe and Wrigley (1996) have argued that a 'new' retail geography is emerging that recognises the mutual constitution of economy and culture. This is supported by Jackson (1995: 1875) who believes that this 'new' retail geography will enhance the subject by exploring the "...socially constructed nature of the consumption process". It is also argued that the 'new' retail geography will help to overcome "...a certain insensitivity within the cultural turn in human geography to macro regulatory context, to capital imperatives, and to the complex linkages between production and consumption" (Lowe and Wrigley, 1996: 43). Thus, the 'new' retail geography appears to be able to avoid the arbitrary separation of production and consumption identified in much previous geographical scholarship concerned with retailing and consumption by examining both economic and cultural processes, without reducing one to the other (Blomley, 1996; Fine 1995).

Studying new sites of consumption

Geographical approaches to understanding retail geographies have traditionally focused on either the production or the consumption aspects of retailing. With the advent of a 'new' retail geography both aspects have been tentatively drawn together. In this thesis I apply the combined approach advocated by proponents of a 'new' retail geography to the study of consumption sites which are not traditionally associated with retailing. As such, this thesis is founded on the belief that due consideration must be given to political, economic and socio-cultural imperatives of retail growth in these sites.

In studying the growth of retailing and consumption in airports, railway stations, hospitals and service stations, this thesis will demonstrate the extent to which retail growth is dependent on a number of political, economic, social and cultural imperatives. Consequently, retailing and consumption are not considered as separate, but rather, as intertwined. It is argued that the growth of retailing and consumption in these locations is the result of a combination of influences and is not reducible to any singular notion of an 'economic' or a 'cultural' logic. This thesis therefore represents one study of retail growth that attempts to combine both of the main approaches to understanding retail geography, uniting that which has been held separate in the past.

Through an examination of the growth of retailing and consumption at various sites this thesis allows an engagement with broader geographical debates about retail location, retail form, consumption and consumption practices. The thesis explores the ways in which the political and economic situation of the 1980s and 1990s generated the conditions in which an expansion of retailing became imperative for the landlords[1] of these traditionally non-retail spaces. In the pages that follow, retail expansion is explored in the context of broad societal developments and political and economic influences that have led the landlords to expand their retail activities. A political economic rationale will be presented to account for retail growth in these locations before the thesis goes on to examine how changes in society have led to changing patterns of consumption. This section of the thesis will introduce the reader to the consumers of these new sites of consumption, and the argument is made that the consumer is a key figure in the growth of retailing at such locations. New consumer agglomerations are argued to be the result of changes in society and it is these developments that are generating the demand for retailing at these new locations. Finally, it is argued that consumer practices in these

[1] Here the term landlords refers to the owners or operators of the new sites of consumption. In the case of the airports this includes BAA, Birmingham International Airport and Manchester Airport. For the railway stations Railtrack. For the hospitals the NHS Trusts and for the service stations, the oil companies that own the sites. These *landlords* are distinct from the *retailers* in that they determine the overall retail strategy within their sites whilst the day to day retailing is conducted by specialist retailers. However, this division of responsibility does not preclude the landlords from also being retailers, as is the case at many airports and service stations.

locations are, in many respects, different to the conventional experiences associated with shopping on the high street. As such, these sites are considered to represent locations for the development of new forms of retailing. With the growth of experiential consumption and leisure-based retailing in Britain, new sites of consumption such as airports, railway stations, hospitals and service stations could become the focus of retail growth in the years ahead.

In the remainder of this introduction I will explore two of the major 'traditions' of retail geography in more detail to elucidate the key ideas which this thesis develops.

Political Economy and Retailing: a 'new' economic geography of retailing.

The 1970s and 1980s are viewed as a significant moment in the history of capitalism. During this period the capitalist system went into crisis, with rising unemployment, stagflation and widespread restructuring (Tickell and Peck, 1992). This crisis and the resulting restructuring led to a transformation of the pre-existing systems of capitalist production and accumulation which have been described as 'Fordist'. The nature of this restructuring is widely debated and scholars have used various approaches in attempting to understand and explain the changing economic landscape.

Whilst the merits of the various models and theories produced are widely debated (see Martin, 1994 for a critique of the major approaches), the attempts made by geographers to understand the nature of the 'post-Fordist' era have had a significant impact upon geographical understandings of retailing. Throughout the 1980s scholars attempted to understand the restructuring of capitalism, the shift in the regime of accumulation and its attendant mode of regulation. As retail geography began to take its economic geographies seriously, scholars of retailing and retail change thus began to utilise many of the prevailing notions about the restructuring of capitalism. This productive encounter prompted scholars to explore issues such as the changing corporate

structures of retailers, the reconfiguration of retailer-supplier relations, changing organisational and technological modifications within retail management, changing labour practices in the retail industry, the spatial organisation of retail capital, and the regulation of retail practice (for a summary of this literature see Lowe and Wrigley, 1996).

By engaging with retailing and retail restructuring in these ways retail geography was able to overcome the inability of the more orthodox approach to retail geography "...to link the locational imperative [of retailing] to the underlying capitalist dynamic acting as its driving force" (Clarke, 1996: 290). In his analysis Clarke (1996) argues that the political economic retheorization of retail geography went beyond the 'orthodox' retail geographers' notion of space as a neutral receptacle in which retail activities were played out with spatial indifference. Rather, the political economy perspective provided a means to understand the ways in which the spatial dynamics of retailing are linked to broader changes in the capitalist economy (see for example Hallsworth 1991, 1995; Harvey 1987). From such a perspective, retail restructuring can be related to an underlying capital logic, as retail companies are driven to "...deploy their retail capital more efficiently" (Clarke, 1996: 291).

This retheorization of retail geography emphasised the role of retail capital in the spatial distribution of retailing and scholars highlighted the heightened competitive pressures facing corporate retailers. Such an approach drew upon elements of the industrial restructuring literature developed by authors such as Massey and Meagan (1982). As Clarke (1996) suggests, these studies of retail restructuring sought to recognise sectoral sensitivities whilst using the notion that restructuring was "...a process of deliberate or planned structural reconfiguration in response to changing market conditions" (Clarke, 1993, 5).

Retailing and the flexibility debate

In their attempts to understand the geography of economic change and the transition from the rigidities of the Fordist regime to a post-Fordist era of 'flexible accumulation', human geographers have focused on the nature of flexibility (Gertler, 1992). Harvey (1989) argues that a regime of flexible accumulation confronts the rigidities of Fordism resulting in the increasingly rapid development of commercial, organisational and technological innovation in many sectors. Despite the comprehensive and inclusive nature of Harvey's consideration of flexibility, the focus of concern with flexibility in human geography was biased in sectoral terms (Gertler, 1992). Gertler argues that the flexibility debate focused on the transformation of manufacturing and production in successful regions (see for example Lovering, 1990; Schoenberger, 1988; Scott and Storper, 1986), while neglecting the "...many parallel and related (perhaps even enabling) changes occurring throughout the service sectors" (Gertler, 1992: 269).

One reason for this neglect was that retailing and services were not considered as central to industrial restructuring and it is only more recently that the flexibility debate has been applied to services and retailing (see for example Crang, 1990; Christopherson, 1989; Murray, 1989; Pinch et al, 1991). Gradually, scholars have come to regard the service sector (including retailing) as central to the flexibility debate (see Christopherson, 1996; Lowe and Wrigley, 1996; Murray, 1989) and it can be argued that technological and organisational innovation in retailing have been at the heart of a shift towards a system of flexible accumulation.

Drawing on the examination of the role of Just In Time delivery (JIT), Electronic Data Interchange (EDI) and Electronic Point of Sale (EPoS) (areas initially examined by Sayer and Walker (1992) with respect to manufacturing) in the retail industry, Lowe and Wrigley (1996) argue that retailers are using such technology to re-configure the spatial organisation and flexibility of the retail sector. Such technological innovation by retailers

has implications for retailer-supplier relations, with several authors noting a shift in the balance of power, usually away from the suppliers towards larger retailers (see Bowlby et al, 1992; Doel, 1996; Foord et al, 1996; Gardner and Sheppard, 1989; Hughes, 1996). For individual companies and stores, the main benefits of these technological innovations are reductions in supply times, smaller warehousing facilities and increased flexibility over the product configuration or product mix that can be offered to the consumer (Schoenberger, 1988). Such technological changes thus allow a greater degree of flexibility in site size and location and consequently, the incorporation of 'flexible' technologies by retailers can allow retailers to establish themselves in locations which were previously considered logistically and physically challenging. This thesis will explore the use of such innovative technologies in sites such as airports, railway stations, hospitals and service stations to ascertain whether technological innovations are a major influence upon retailers' spatial location strategies. As such, this thesis will attempt to determine if these 'flexible' technologies are a necessary precondition to retail development in airports, railway stations, hospitals and service stations.

As with the other broadly political-economic aspects of retail growth at sites such as airports, the notion of flexible accumulation and the flexibility thesis cannot be restricted to the retailers at the sites in question. The attitudes of the landlords of these sites (who include the airport operators, the railway operators, the oil companies and the hospital Trusts) must also be examined in the light of such notions of flexibility. As such, the thesis will examine the ways in which these landlords have diversified their activities in response to the political and economic conditions and the competitive pressures in which they operate (Cooke, 1988; Sabel, 1989). Harvey (1989), notes that the pursuit of custom markets or niche markets by increasingly responsive and informed companies has not necessarily led to the decline of large corporations such as the oil companies and airport operators as new small and more responsive companies fill the niches. In fact Harvey (1989: 158) argues that "at one end of the business scale, flexible accumulation has been conducive to massive mergers and corporate diversifications" and as a result,

many workers are now employed in activities that are not recognised as the primary activity of that company. This is illustrated by the fact that of all the employees working in the Fortune 500 companies in America, the majority are now employed in activities not associated with the core activities of those companies (Harvey, 1989). This thesis examines how the landlords of the new retail sites have diversified their activities as part of the process of flexible accumulation, extending their core competencies (and identities) to include retailing. The thesis examines how the diversification strategies of the landlords can be understood as a response to the economic pressures of competition and the political processes of privatisation and increased commercialisation. Such diversification will also be examined in the light of changing management attitudes and the drive to make ever greater profits for their shareholders. As such, the growth of retailing in these sites will be considered as emblematic of the development of a regime of flexible accumulation in the UK.

Retailing and regulation

A second major approach taken within the political economy perspective has been the use of a regulation approach. Regulation theory places a critical emphasis on linking the system of accumulation to the 'mode of social regulation' (by linking the complex of production, distribution and consumption systems with state forms, social norms, political practices and institutional networks). Within this theory, systems of accumulation and social modes of regulation that are stable are understood to form the basis for 'regimes of accumulation' (see Tickell and Peck, 1995). The focus of regulation theory is the institutional forms and practices that guide and stabilise the accumulation process and which temporarily prevent crises. Thus the central tenet of regulation theory is the importance of social regulation in shaping the regime of accumulation. Regulationists suggest that to understand capitalist reproduction it is necessary to understand the wider social and institutional context in which accumulation occurs (Jessop, 1992). In this thesis I present the argument that changes in the regulatory

regimes governing the core activities of the landlords provide an explanation of why the landlords have diversified their activities to include retailing at their sites. It is argued that changes have resulted from the processes of privatisation, producing an environment in which diversification is both desirable and possible.

The new economic geography of retailing provides a broader understanding of the influences of regulation, de-regulation and re-regulation on the retail landscape. By conceptualising the role of the regulatory state in changing the organisation and location of retailing and consumption, scholars studying regulation have provided a better understanding of the retail landscape. This view is supported by Gertler (1992)[2] who argues that the role of the nation state as an agent in economic change should not be underestimated:

> ...nation-states have produced (and continue to produce) rather distinct national systems of innovation which create particular possibilities for economic change while precluding others (*op. cit.*, 270).

An understanding of the significance of regulation in retail geography is apparent in recent research into the relationships between the state, markets, corporate strategies and spatial outcomes (Christopherson 1993; Hughes, 1996; Wrigley, 1995). It is argued that a relationship exists between nationally based rules governing investment by firms and the economic behaviour witnessed. Such rules are perceived as constituting environments for capital accumulation which result in "different patterns of economic behaviour within and across national boundaries" (Christopherson, 1993: 274) states. National regulatory frameworks can therefore be considered as defining the environments in which economic activities and their locational outcomes (for example retail change) must be considered. However, Christopherson (1993) argues that the state is not the sole source of regulation and that our definitions must be widened to include lower level regulatory processes, such as local economic development policies and also the regulatory bodies set up

[2] It must be noted that Gertler's work was not examining the retail sector, however, the main tenets of his argument are transferable to this sector.

following the privatisation of the gas, telecommunications, water, electricity, air and rail industries (for further discussion of regulatory bodies other than the state, see Marsden and Wrigley, 1995, 1996).

The importance of differences in the regulatory framework is demonstrated in a UK-USA comparative analysis of the food retailing industry (see Wrigley, 1992, 1995; Lowe and Wrigley, 1996). It is argued that the differences in the regulatory environment of these two countries "... account for the major disparities...which emerged between British and US food retailing" (Lowe and Wrigley, 1996: 18). The disparities witnessed include levels of profitability and the geographical structure of the retail industries in question and conclusions are drawn demonstrating that retail change is directly influenced by the regulatory frameworks that exist in different forms in different locations.

It can be argued that the mode of social regulation is an important conceptual tool with which to analyse retail change and the development of retailing in new sites such as airports, railway stations, hospitals and service stations. In this thesis the importance of the forces of regulation will be considered with respect to how they shape and reshape corporate strategies and ultimately, the geographical and historical particularities of retail change and development in such locations. In contrast to much previous retail geography literature concerned with regulation, it is argued that the regulation, de-regulation and re-regulation of the core businesses has had the most marked impact on retail development in these locations. By examining the changing regulatory framework within which the landlords and their core activities are situated, it is argued that an understanding of the forces creating the environment for retail development in their sites can be demonstrated. However, regulation of the core activity is not the sole factor involved and the thesis will examine the wider regulatory framework that has created the conditions for retail growth in sites such as airports, railway stations, hospitals and service stations. As such, the thesis will examine how privatisation, planning and policy guidance measures and trading laws have created the particular environments in which retailing has developed.

In this section I have summarised political economic approaches to understanding retail growth in sites such as airports, railway stations, hospitals and service stations. This political economic logic will be examined in order to understand, in more detail, the importance of such influences on the specific sites studied here. However, whilst such work provides an understanding of retail growth at these sites, it provides little or no explanation of changes in consumption patterns and practices, nor of the socio-cultural imperatives that are also key factors in the growth of retailing. The aim of the next section is to examine some of the geographical approaches that have considered the 'cultural logic' and the role of consumption in stimulating the growth of retailing in new locations. This 'cultural logic' will be considered by examining geographical perspectives on consumption. These bodies of work will be examined in a way that suggests that new consumer groups (themselves the result of socio-cultural changes) are generating new demands for retailing not only in terms of products but also in terms of the spatial and temporal provision of retailing.

The cultural perspective: cultural geographies of consumption.

During the 1980s and 1990s scholars in cultural studies have increasingly addressed issues of consumption. However, in retail geography, particularly in earlier studies, research concerned with consumption was remarkably neglected. During this early period scholars concerned with retailing focused primarily on the productive sphere of the retail sector, with consumption considered as a secondary process (see for example Wrigley, 1988). During the late 1980s and 1990s, however, this prioritisation of production was critiqued and argued to be too narrowly focused, neglecting the links between production and consumption (see for example Miller, 1987; Jackson, 1993). Such scholars began to give more consideration to consumption and argued that it is impossible to account for the development of retailing without considering the changing nature of consumption at the same time (Miller, 1987).

This idea is by no means new, as interconnections between production and consumption were highlighted as early as 1857/8 when Marx, writing the Grundrisse, argued that production, distribution and consumption are fundamentally linked:

> Production leads to consumption, for which it provides the material; consumption without production would have no object. But consumption also leads to production by providing for its products the subject for whom they are products. The product only attains its final consummation in consumption (1973: 196).

Thus Marx maintained that there are complex and necessary relations between production and consumption. He highlighted the necessity of consumption for production by arguing that "...a product becomes a real product only through consumption" and that "...consumption creates the need for *new* production, and therefore provides the conceptual, intrinsically actuating reason for production, which is a pre-condition for production." Marx argued that production is not subordinate to consumption but necessarily connected because "consumption without an object is not consumption..." (*op. cit.*, 197). Thus production provides the objects for consumption and also the particular 'mode of consumption' through the object consumed. Marx illustrates this connection between production and consumption by arguing that a railway without any travellers (consumers) is potentially, but not actually, a railway. In the same vein, a retail development at an airport is only a shopping place because of the consumers using it. Therefore, an understanding of consumers and consumption practices is central to this thesis and the attempts made herein to understand the growth and success of retailing in sites such as airports, railway stations, hospitals and service stations. By examining consumers and consumption practices in conjunction with the economic imperatives of retail development, this thesis will avoid a polarised approach, refusing to focus exclusively upon either retail provision or consumption.

Geographies of 'consumption

The incorporation of consumption and the notion of a 'retail culture' has held a prominent position within much recent geographical debate concerned with retailing. In the past, social and cultural geographers concentrated on areas of collective consumption such as education and public housing, whilst acts of everyday consumption such as shopping were left relatively neglected (Jackson and Thrift, 1995). This neglect has begun to be reversed in recent times as geography has undergone a 'cultural turn' in which "[t]oday, an understanding of the processes of consumption is central to debates about the relationship between society and space" (Jackson and Thrift, 1995: 204). The result of this 'cultural turn' within human geography has been to create a retail geography in which attention to the 'cultural logic' of retailing has been expanded, thus diluting the former emphasis on the processes of production (Lowe and Wrigley, 1996).

This body of scholarship, exploring geographies of consumption, has expanded rapidly, moving far beyond its origins in cultural and feminist theory. Today, cultural geographies of consumption includes work on the changing sites of consumption, the spaces and places of consumption, and the consumption experience, or consumption as practice (Jackson and Thrift, 1995; Lowe and Wrigley, 1996). Within geography, research into issues of consumption has traditionally tended to focus on 'cathedrals of consumption', such as department stores and shopping malls, with scholars seemingly drawn to the West Edmonton Mall in particular 'like moths to a flame' (Jackson and Thrift, 1995; see for example Shields, 1989; Hopkins, 1990; Canadian Geographer, 35,3, 1991). The department store is considered to be particularly significant when considering the development and history of retailing and the gendered and class based nature of this process (Glennie and Thrift, 1996). Indeed, it is considered by some scholars to represent the quintessential site of consumption in the late 19th and 20th centuries, and it is argued to be the most visible form of consumer culture during this period (Domosh, 1996). In many ways, the mall is considered to be the contemporary

equivalent of the department store in terms of its significance in the retail landscape and indeed, mall design usually incorporates a department store as a central component.

However, by concentrating on formalised sites of consumption, and particular examples of these, studies of consumption are limited in their ability to explain the diversity of retail culture, tending to examine only formalised consumption practices, particularly those popular amongst the middle class and those dominated by 'big' retail capital (Jackson and Thrift, 1995; Gregson and Crewe 1994; Gregson, Crewe and Longstaff, 1997). Examples of research that goes beyond the mall and the department store only serve to highlight these limitations. In studying the phenomenon of car boot fairs/sales, for example, Gregson and Crewe (1994) have demonstrated that a vast array of 'other' sites of consumption and consumer cultures also exist although they have received scant attention from geographers (see also Jackson, 1993). Concentrating on particular sites of consumption fails to acknowledge the diversity of consumption practices and consequently, the diversity of consumers and consumer cultures, with the possibility that changes occurring in consumption patterns may be overlooked.

It has been argued that studies exploring geographies of consumption should therefore attempt to broaden the range of sites of consumption studied and avoid concentrating on single locations (Jackson, 1993: Jackson and Thrift, 1995). By increasing the variety of sites studied, the diverse geographies of consumption and consumers can be highlighted. In examining sites of consumption at airports, railways stations, hospitals and service stations this thesis explores some of the cultural geographies of consumption that have previously been neglected. The thesis examines the similarities and differences of consumers and consumption practices in and between these sites and will consequently illustrate the dynamism of consumer cultures in these locations. By examining examples of each type of site, this thesis presents an examination of cultural geographies of consumption that avoids the tyranny of the single site.

Spaces and places of consumption

For some time now studies of consumption have considered the spaces and places of consumption as more than passive backdrops to the consumption process. Rather, retail spaces are seen as being actively produced, represented and contested (Blomley, 1996). In research into the creation of retail spaces and places, two main themes arise. First, that the geography of the sites is created in a way that facilitates consumption and second, that the spaces are important in terms of their impact upon identity formation and resistance (Dowling, 1993; Ducatel and Blomley, 1990; Mort, 1988).

Research into the design of malls has highlighted the ways in which designers of these sites exploit the power of place to facilitate consumption (Goss, 1993; Shields 1992). Spatial strategies are devised to increase the dwell time of shoppers and so increase consumer spending. However, spatial strategies designed to manipulate the consumers and generate maximum exposure to the retail environment are not the only processes involved in creating retail environments. Rather, it is argued that the creation of a 'sense of place' in these sites is vital in generating the cultural environment in which consumers feel comfortable and to which they will return (Dowling, 1993; Goss, 1993; Morris, 1988). Although Goss (1993) takes an instrumentalist stance by focusing upon the way in which space can be created to induce consumption, he echoes Morris (1988) in calling for an understanding of how the design and creation of a sense of place is read, understood and acted upon by the consumer. In this respect he highlights two of the fundamental aims of this thesis. First, the need to understand how a sense of place is created and second, the need to understand how people respond to these created environments.

In this thesis, the notion of creating a sense of place in particular sites is even more critical than in a mall or a department store. Airports, railway stations, hospitals and service stations traditionally have core functions far removed from retailing and

consumption. The given identity of these places would therefore appear to bear little relation to retailing and consumption and in this context, the thesis highlights the ways in which these sites have been crafted as shopping places, to be interpreted and acted upon by consumers. The thesis examines how the 'magic of the mall' (see Goss, 1993) is employed in airports, railway stations, hospitals and service stations to create not simply a sense of place that induces consumption, but a sense of place that convinces and reassures travellers, workers, patients and motorists that such locations are legitimate sites of consumption.

To answer the question of how airports, railway stations, hospitals and service stations create the sense that they are legitimate places of consumption, this thesis examines the role of brands. Research conducted for this thesis examines the ways in which the signs and symbols of the brand have intrinsic qualities that are recognised by consumers. By examining the role of brands and their signs in creating a sense of shopping place, and by focusing upon the ways in which people respond to these, the thesis illuminates how the creation of a sense of place is dependent not only on the landlords of the sites employing the signs and symbols of the brands, but also upon the consumer reading, interpreting and acting upon the signs in a way that fixes those places as legitimate places of consumption. That is, returning to Marx, the very act of consuming in these sites consummates them as legitimate places of consumption.

Consumers and consumption as practice

Whilst scholars in the field of cultural studies have acknowledged the importance of space, place and location in understanding society, geographical studies have traditionally been limited in their understanding of the consumer (Jackson and Holbrook, 1995). Little has been said about the ways in which retail environments are experienced by consumers, with the consumer usually being cast as a 'hapless dupe' in a mass society controlled by the 'hidden persuaders' of marketing and advertising (Jackson 1995; 1993; Jackson and Holbrook, 1995).

Where the role of the consumer has been acknowledged in the past it has often been only to add context to the seemingly more important changes that were taking place in the productive sphere. For example, in an examination of the changing retailer-supplier relations by Bowlby, Foord and Tillsley (1992), the role of the consumer is apparently essential, as the paper discusses the implication of changing consumption patterns on retailer-supplier links. However, other than to acknowledge that consumer practices are becoming increasingly diverse, which in turn alters demand, there is no sustained engagement with the actual consumers. It is to counter this neglect of consumers that Jackson has repeatedly called for a direct engagement with the consumer 'on the ground' and argued that it is important to study the active role of consumers in the consumption process (Jackson, 1993, 1995; Jackson and Holbrook, 1995).

However, the figure of the consumer is not totally absent from academic research. Indeed the reorganisation of retailing is viewed by some scholars to have been stimulated by changing patterns of consumption (see for example Gardner and Sheppard, 1989). The causes of changes in consumption patterns therefore appears to represent a fertile ground for exploration, but to date, retail geographers have not linked the productive and consumptive spheres as much as they might. In this thesis, changing patterns of consumption are argued to have been the result of the fragmentation and pluralism of consumer groups, the weakening of older collective solidarities and block identities, where the identity of the mass of the population was closely bound to the larger systems of production over which individuals had little control (Gorz, 1982; Miller, 1995). These collective identities of the past are seen to be replaced by new identities associated with new information technologies, more flexible, decentralised forms of labour process and work organisation, greater choice and product differentiation, and ultimately, the maximisation of individual choice through consumption (Gardner and Sheppard, 1989; Miller, 1995).

In order to understand the geography of consumption, an engagement with the consumers 'on the ground' leads to a recognition that consumers must be considered at a smaller scale than the traditional categories of class, ethnicity and gender (Miller 1995). The recognition of this disaggregation of consumers leads geographers to recognise that new consumer agglomerations and consumption practices are emerging in response to changing social and cultural practices. However, the most significant aspect of this disaggregation for geographers, and for this thesis, is that new consumer agglomerations and practices are generating demands for new sites of consumption. The increasingly diverse range of consumers and consumer practices are argued to be inextricably linked to, and facilitated by, a similar disaggregation of the sites of consumption. Thus, the development of the new consumer practices and new sites of consumption can be considered as symbiotic developments.

By studying consumers 'on the ground', this thesis will illustrate that new and varied consumption practices defy a reduction of the consumer and consumer activities to a single undifferentiated mass. It is argued that an examination of consumers and their consumption activities will highlight shifts in social and cultural behaviour at a broader level. Consequently, by taking up Jackson's challenge to engage with the consumer, this thesis will demonstrate that new consumer agglomerations are the result of broader shifts in society and culture and that, in turn, these shifts play a key role in the growth and success of retailing in new sites such as airports, railways, hospitals and service stations.

The previous section has explored cultural perspectives in retail geography and has briefly considered the history of research into geographies of consumption. The research in this thesis suggests that the foundational ideas of this cultural perspective are significant in understanding retail change and retail development in sites such as airports, railways stations, hospitals and service stations. By examining consumption patterns and practices, socio-cultural imperatives are considered in tandem with the political economic imperatives of retailing as key factors in the growth of retailing in sites such as airports,

railways, hospitals and service stations. The ways in which these two approaches are brought together in this thesis is the subject of the final section of this introductory chapter.

The arguments of the thesis

As this introduction has demonstrated, the study of retail geography has developed in a manner that has led to an emerging consensus that a retail geography worthy of its name should have economic and cultural concerns at its heart (Blomley, 1996). More generally, following the 'cultural turn', geographers appear far more willing to transcend the boundaries between the economic and the cultural. By drawing together these superficially separate areas, geographers have been able to explore the cultural constructions of economic forms (Barnes, 1996; Wills and Lee, 1997 see also Thrift and Olds, 1996; Martin, 1994) .

Whilst the rapprochement between 'economic' and 'cultural' approaches in human geography continues to generate theoretically enriched research (Barnes, 1996), Jackson (1995) contends that when studying retailing and consumption there still remains little evidence of scholarship that successfully combines the two sets of issues in practice. Rather than attempting to study aspects of production and consumption as being elements of a single complex and necessary relationship, geographers have tended to examine either the productive sphere, or the consumptive sphere. The consequence of scholars concentrating on either production or consumption is that despite the recognition that it is "...artificial to draw out separate economic and cultural geographies of retailing..." (Lowe and Wrigley, 1996, 4), there remains an economic or cultural bias to most studies of retailing and consumption.

Whilst the blurring of the boundaries between economic and cultural approaches is considered to be a beneficial and necessary development within retail geography it has

not, to date, succeeded in drawing together questions of production and consumption in research. There are very few, examples of research that successfully examines the mutually constitutive components of consumption and production in a single study of retail change/development. This thesis will attempt this task by considering retailing and consumption as two elements of a single relationship, examining both the political economic imperatives for retail expansion in airports, railway stations, hospitals and service stations alongside the socio-cultural imperatives driving consumption in these sites, focusing upon the ways in which these processes are necessary and mutually constitutive. Following this introduction to outline the major traditions of thought in retail geography, the key political, economic, social and cultural developments that have led to retail growth in the new sites are explored together with new empirical data, in each of the remaining chapters.

Chapter 2 provides a brief examination of the sites studied and the methods and techniques utilised in this thesis. Chapters 3 and 4 examine the political and economic imperatives driving landlords and retailers to develop retailing at sites not traditionally associated with retailing. These chapters place the thesis within the context of wider changes taking place in the political and economic landscape of the UK. Through an examination of these changes and the ways in which these impact upon the landlords and retailers, it is argued that the political-economic environment generates the conditions in which these companies have been prompted to seek alternative profit centres. The alternative profit centres developed by the landlords are shown to be varied and include areas not traditionally associated with the core business of the landlords, most notably retail development.

Chapter 5 focuses on the role of the consumer in the retail landscape. This chapter examines wider social and cultural changes taking place in the UK, such as new patterns of work, leisure and consumption, and the ways in which these developments have generated new consumer groups with new retail demands, both in space and time. As

such, this chapter presents the consumer as a central figure in the changing retail landscape. It is argued that new consumer groups are emerging and that the landlords and retailers of new non-traditional sites are perfectly placed to meet their demands.

In Chapter 6 I explore the consumers and their experiences of consumption in these new places. I unpack the ways in which the consumption process at these sites is different from traditional sites of consumption, such as the high street. Chapter 6 also examines the role of anxiety, time and geography in the consumption experience and focuses on the ways in which these factors make these sites both advantageous and difficult locations for retailing. The chapter goes on to explore how the need for the landlords to diversify into retailing has been turned into a profitable reality. The material presented in this chapter thus focuses upon the ways in which the landlords and retailers have, in combination, created a 'sense of place' that legitimates these sites as places for consumption.

In Chapter 7, I conclude the thesis by re-examining the relationships between retailing and consumption. I make the case for an eclectic approach to understanding the subject of retail change. Drawing upon the empirical evidence collected from landlords, retailers and consumers I restate the importance of considering them all as key components in the emerging retail landscape. Consequently, the thesis concludes by restating the argument presented in the introduction; that producers and consumers of the retail landscape should not be considered as separate and unrelated, but rather, they all play a crucial role in the growth of retailing in places such as airports, railway stations, hospitals and service stations.

Chapter Two
Methods and Techniques

Introduction

This chapter outlines the methods and techniques used to explore why retailing has developed at airports, railway stations, hospitals and service stations. Landlords, retailers and consumers comprise the three major 'subjects' at the heart of this research, and the methods chosen have been appropriate to each group. The corporate interview was used to research the views of landlords and retailers, while more ethnographic techniques were appropriate to unpack the views of consumers. The chapter thus examines these methods in turn.

Using corporate interviews to research Landlords and Retailers

In this research the landlords (such as the airport operators) and the retailers are considered to represent a similar type of subject. They are both corporate institutions and as such, they were researched using the same set of methods and techniques. However, as a group of corporate institutions, the landlords and retailers are internally diverse, the landlords and retailers differing from each other and varying between the sites studied (airports, railway stations, hospitals and service stations). For this reason, a quantitative survey (such as a postal questionnaire) was thought to pose too many design and analysis problems, while it would also mask the complexity of the issues shaping the growth of retailing in these non-traditional locations. Without prior knowledge of the issues concerned, the corporate interview was chosen as a means to unpack the development of retailing, whilst also reflecting the diversity of the agents and sites involved in this process.

Semi-structured interviews conducted with the landlords and retailers were found to be a valuable method for exploring the social, institutional and historical processes behind the development of retailing in new locations. 'Open-ended' interviews give me the ability to understand observed behaviour, rather than merely documenting it (Schoenberger, 1991). And furthermore, the open-ended interview is a particularly useful tool in research where, by its very nature, the project should evolve as evidence and data are unearthed, rather than being rigidly fixed by a set of predetermined questions, that presume the researcher is aware of the key questions before the research begins (Jones, 1991). As such, interviews represent a method that is considered valuable for its ability to generate a hypothesis (Schoenberger, 1991).

Interviews offer major research benefits as they document the testimony of the key participants acting in the arena being researched. These participants are often best placed to describe and expose the complex nature of the subject being examined. Interviews are therefore able to "probe deeply to uncover new clues, to open up new dimensions to problems and secure vivid, accurate, inclusive accounts from informants based on their personal experience" (Burgess, 1982). Yet this strength is also a potential weakness, as the testimony provided by any individual can be shaped by the context and power relations of the research encounter. Power relations mediate the act of communicating, the written act of interpretation and the relationship between interviewer and interviewee.

When using qualitative interviews as a research technique the researcher must be aware that the oral testament of interviewees is not necessarily faithful to the actions or processes being retold. In the same way, the researcher as writer must be aware that the act of writing involves a process of reinterpretation. The researcher must, therefore, acknowledge that the interview does not represent an infallible technique and that ambiguity is inherent in both the oral and written accounts. Much of this ambiguity derives from the notion that whilst speaker and writer talk and write of the past, or even

the future, these oral and written testaments are situated in a particular present. These testaments therefore reflect the social, political, economic and cultural situation in which they were spoken or written and not necessarily the context in which the actions took place (Samuel, 1994, Wills, 1995).

The power relations between any interviewer and interviewee can also shape the research encounter. Indeed, this process can begin before the interview has even begun as many organisations and individuals may be unwilling to participate in research unless it suits their requirements (Bryman, 1989: Ostrander, 1993; Thomas 1993). Moreover, even when an interview has been arranged, the social relations between the interviewer and interviewee are argued to shape the dialogue that takes place and therefore the information that can be received. These exchanges are often mediated by relations of gender, race and status, reflecting power relations beyond the interview situation (Schoenberger, 1991, 1992; McDowell, 1992; Herod, 1993). In this research, I have interviewed business executives and my inferior status will have shaped these exchanges (Ostrander, 1993). In corporate interviews, it is likely that the interviewee can assert considerable control over the interview situation and therefore the data gained from it. This was certainly the case in two of the interviews undertaken in which my inferior position as a student resulted in the premature termination of the meeting in order to accommodate more important people. However, in terms of information it is difficult to discern the extent to which my position resulted in interviewees withholding information. It is certainly the case that in the majority of encounters, the interviewee appeared interested in the topics discussed, and this resulted in several 'extended' interviews, postponing presumably less important appointments!

The process of undertaking qualitative interviews is a very fluid and dynamic research technique and will vary with almost every interview undertaken (Burgess, 1984; Measor, 1995). This has certainly been the case in this research and the initial interviews effectively shaped the remainder of the work undertaken. Prior to the interviews

undertaken in the early stage of the research I was largely uninformed about the processes at work in the changing landscape of retailing. The early interviews had a three-fold effect. First, they focused the research questions, second, they confirmed the sites of interest, and suggested further sites of interest (such as ferries and Eurotunnel), and third, they helped to define the theoretical focus of the research by confirming or contradicting the importance of initial lines of enquiry. Consequently, the use of interviewing was more influential and important than a simple data gathering exercise and the interviews shaped the whole project. In many ways it can be argued that the research was guided by the empirical material gathered in those initial interviews, and then augmented by each subsequent encounter. Moreover, as the research progressed, the interview exchanges altered as I became better informed. While the initial interviews were far more exploratory and probing to understand the key issues, the later interviews concentrated on confirming or refuting arguments and discussing the key issues at the heart of this thesis.

The interviewees listed in Table 2.1 were chosen principally on the basis of their involvement and expertise in retailing in airports, railway stations, hospitals and service stations. Each interview was conducted on company premises and lasted between one and two hours . These exchanges were recorded and transcribed, and full quotations are used in the following chapters of this thesis. These represent only a proportion of the organisations and individuals approached, as some, for varying reasons either did not respond, or were unavailable[1]. The companies approached represent a selection of the locations which form the sites studied in this thesis, and a subset of the retailers operating

[1] Whilst several companies did not take part in this research, this did not present great difficulties as some rejection was expected. In the main this was circumvented by approaching several organisations in the same sector. For example, several fashion retailers and several newsagents were approached. However, the lack of access to certain retailers was disappointing, for example Tie Rack were approached in recognition that they were one of the first specialist retailers present in railway stations and airports, and as such, represented a good company to provide an historical perspective on retail development in these locations. However, retailers such as Harrods and WH Smith, were very useful in this respect. The rejection by one other retailer, Dixons, was disappointing as they represent the sole large electronics retailer who has entered the travel retail market and as such, would have provided a further example of a specialist retailer in a particular market sector.

within these locations. The airport operators interviewed represent the seven largest airports in terms of passenger numbers in the UK, whilst the representatives of Railtrack (the sole body responsible for the rail infrastructure) cover both London and provincial railway stations. The hospitals studied were chosen following some initial research to discover which hospitals were amongst the most advanced in terms of retail development, whilst the oil companies chosen represent two of the five largest in the UK. The retail companies were chosen on the basis of their presence at one or more of the sites studied and they tended to have a high profile within these retail environments. The representatives interviewed were all approached specifically for their expertise in retailing, design and strategy within their respective organisations and were often suggested by the other interviewees. Several of the specialists were approached as a direct consequence of attending industry conferences on the subject of travel retail, in which they were giving presentations. These conferences include the Airport and Travel Retailing Conference (1995), the Shopping on the Move Conference (1995) and the Station Property after Privatisation Conference (1994 - not attended).

Table 2.1 Organisations and individuals interviewed

Organisation	Representative Interviewed	Company activity	Date
Harrods	Michael Cole (Media Officer)	Retailer	7/7/95
Sock Shop	Mark Fitzgibbon (Retail Director)	Retailer	10/7/95
John Menzies	Stephen Robinson (Managing Director)	Retailer	19/7/95
Boots	P. Patel (Area Manager Heathrow and Central London)	Retailer	21/7/95
Burberry/Scotch House	William Chellingworth (Group Retail Director)	Retailer	26/7/95
Hamleys	Steve Woodbridge (Operations Manager)	Retailer	7/8/95
WH Smiths	Sundeep Kakar (Finance and Development Manager, Concessions)	Retailer	8/8/95

Burton group	Simon Hawkes (Retail Planning and Acquisitions Director)	Retailer	31/8/95
Sears group/Thomas Pink	Ian Cheshire (Strategy Director/Chairman	Retailer	8/9/95
Allders	Richard Jones (Marketing Manager)	Retailer	16/8/95
Mobil	Clive Head (Business Analyst)	Retailer/ landlord	3/8/95
Texaco	Mark Melvin (Retail Operations Manager)	Retailer/ landlord	23/8/95
Railtrack	Liz Stewert (Property Board Manager)	Landlord	24/7/95
Railtrack	Steve Nowell (Manchester Piccadilly Retail Operations)	Landlord	30/4/97
Addenbrooke's Hospital	July Speck (Retail Services Manager)	Landlord	2/8/95
St Thomas' Hospital	Ian Williams (Marketing and Corporate Development Manager)	Landlord	9/8/95
Southampton General	Tim Cronin (Commercial Manager)	Landlord	11/8/95
BAA	Louise Herbert (Group Retail Development Manager)	Landlord	4/8/95
Manchester Airport	Peter Longbottom	Landlord	9/12/96
Birmingham International Airport	Steve Hodgetts (Market Development Manager - Commercial)	Landlord	13/12/96
Eurotunnel	Douglas Colbeck (Business Development Executive)	Landlord	10/8/95
Jones Long Wooton	Vince Jones (Analyst)	Specialist/ consultant	9/11/96
Colliers Erdman Lewis	Dr Christopher Pieroni (Head of Research)	Specialist/ consultant	12/11/96
Aukett Associates	Stephen Embley (Director)	Specialist/ consultant	15/11/96

Fitch	John Harrison (Director)	Specialist/ consultant	18/11/96
Cook, Neill Associates	Frank Gray (Director of Consultancy)	Specialist/ consultant	10/12/96

Documentary analysis: filling the gaps in the tapestry of interviews

Documentary analysis (the research of records) is a useful research tool frequently used as an integral part of research in the social sciences as it provides data which cannot be readily examined using other methods (Bryman, 1989). Many of the methods which focus on the collection of primary data cannot provide a complete overview of any particular subject and documentary analysis is valuable in providing insights and a greater understanding of organisational and industrial change. Utilising data from sources such as annual reports, financial reports, market research, company newsletters, press releases, external consultancy reports as well as the trade and business media, photographic evidence, television media and the seemingly boundless scope of the internet, has many advantages for the researcher studying organisations and particularly, organisational change. Documentary analysis provides a fuller picture, particularly when restricted access has limited understandings through direct exchanges. Furthermore, documentary analysis is of value when the researcher has highlighted a new avenue or research issue after some primary research has been completed. In this case, the examination of records can often provide the necessary information without recourse to conducting a second interview (and this attribute becomes doubly important where access for such second interviews would be denied).

Documentary analysis is useful in keeping the researcher up-to-date with changes that may occur in their chosen field during the long process of investigation. This is particularly important when there is ongoing change in organisations and in wider society and an interview can only take place once during the research process. In this context

trade journals and the business media are invaluable allies in bridging the gaps between primary data and subsequent developments in the research field. In addition documentary analysis is particularly useful when studying the history and future of organisational changes. The analysis of documents provides the researcher the opportunity to understand the history of changes in the organisations studied, whilst also highlighting planned future developments that are to take place. In this way, the researcher does not understand the organisations studied simply through the brief snap-shot provided by an interview but can observe change over time.

Finally, documentary analysis is particularly useful in the cross validation of primary data collected using other research methods. Data collected during interviews should not necessarily be considered as factually correct, even when it has been provided in good faith. Documentary analysis enables the researcher to cross reference the data collected using such methods. This is a useful safety check for the researcher as it allows them to check specific elements within the interview, such as dates and figures, and thus provides greater confidence in the data collected using such methods.

This research has made extensive use of documentary analysis in order to support and complement the data gathered in the interviews outlined above. Indeed, documentary analysis formed a key tool for investigating the strategies of the landlords and retailers at new locations. This was particularly true where access was partially or totally denied (e.g. Tie Rack) and also where the use of primary data gathering methods would have been wholly inadequate.

Extensive documentary analysis was necessary when examining the changes that have impacted upon both the landlords and retailers at airports, railway stations, hospitals and service stations (looking at government policy for example). The examination of company reports, government papers, trade journals and news releases have provided up-to-date details of both the key influences on these organisations and their responses to

them. In this way, documentary analysis has provided a wider picture of the influences and responses at work in the field and equally importantly, it has facilitated the presentation of these in a longitudinal framework.

Documentary analysis has also played a key role in determining the nature of the research undertaken as it has shaped the focus of the other research methods used. This is evident in the way that new avenues of research were highlighted by documentary analysis. The study of the annual reports of BAA (the British Airports Authority), for example, highlighted their diversification into hospital retailing. It was this 'discovery' that led to the greater examination of hospital retailing and the inclusion of hospitals as a major study area within this thesis. Moreover, documentary analysis was equally crucial in determining the focus of the questions asked within the corporate interviews. Clearly, documents can be seen as rich sources of information, both in a primary role and also as they shape the research undertaken. The subsequent chapters in this thesis bear testament to this use of documentary evidence alongside interview transcripts.

Engaging with the Consumers: A Multi-Method Approach

Consumers in airports, railway stations, hospitals and service stations presented a very different research challenge to that encountered with the landlords and retailers, although open-ended interviews were again used to gain a basic understanding of their motives for consuming in airports, railway stations, hospitals and service stations. Once these preliminary interviews had been completed, two primary surveys, each including 479 consumers at all the sites studied were completed during long periods of observation at these locations.

The examination of consumers initially involved a series of interviews undertaken in airports, railway stations, hospitals and service stations in order to gain an understanding of the factors influencing their behaviour in these locations. These

interviews with the consumers were undertaken in situ and varied in length, largely dependent on the interviewee and the time they could or would spare me to answer my questions. The interviews with consumers were largely semi-structured, and the individual questions were largely based upon the information gained previously in the corporate interviews when discussing consumer habits and were based on questions concerning issues of lifestyle change and the impact of this upon consumption habits, and also the actual consumption process in the sites. The information gained from these consumer interviews was then combined with that obtained from the retailers, landlords and specialists to paint a fuller picture of the motives of consumers shopping in the sites studied, as well as forming the basis for the questionnaire survey.

In addition, secondary sources were used to flesh out this part of the thesis. The use of data sets such as the Census, Eurostat, the Labour Force Survey (LFS), and the General Household Survey (GHS) provided a much wider (nationally representative) survey than I could have managed and these surveys also illustrate trends over time and space. These secondary sources provided enormous breadth and depth to the trends that were identified in primary research, and as such, they augmented the consumer survey research.

Whilst the use of interviews, secondary analysis and participant observation (see next section) provide useful techniques for gathering information on the activities of consumers within airports, railway stations, hospitals and service stations, it was necessary to further examine certain issues through the use of face to face questionnaires in these locations. This proved necessary for two major reasons, first, to provide site specific data to supplement that examined in secondary analysis at a wider scale and second, to provide a measure of the importance that consumers attach to certain issues in explaining their consumption at these locations. The questionnaires were used as a means to collect information from large populations (the site users) and describe the attitudes and behaviour of that population. Whilst the criticisms of surveys are many and varied (see

Marsh, 1982; de Vaus 1993 for a detailed discussion of these) they were not used as the sole method, rather, forming part of a broader examination of consumer attitudes. In this way, the data gathered in the surveys conducted at three airports, three railway stations, three service stations and two hospitals were used to provide information from consumers on the ground, which supplemented and added weight to the arguments put forward in the interviews by the consumers, retailers, landlords and specialists.

The research sites for the survey were chosen to maintain continuity between the landlords, retailers and consumers and for this reason, questionnaires were conducted in sites studied in earlier parts of the research. However, not all of the sites could be used as access was not granted in all the locations where corporate interviews had been conducted. Furthermore, in the case of the service stations, only one company's forecourts were used for the survey. The reasoning behind this choice was that whilst they had well established retailing within their sites, these forecourts also presented the petrol buyer with the option of not entering the shop at all as they could pay with credit cards on the pumps outside. This was considered to be a good opportunity to examine whether consumers would still use the shops if they did not have to. In many cases, it actually led to people buying petrol and paying on their card outside and still going in to buy something from the shop.

Following a pilot survey in which the time constraints of the consumers were recognised it was considered necessary to split the consumer survey into two questionnaires. One questionnaire focused on consumers' changing lifestyles and the consequences of such changes on their shopping patterns. This covered aspects such as time constraints and the reasons for these. In addition the locations chosen for shopping and the reasons for choosing them were surveyed (the Lifestyle Questionnaire and results are presented in the Appendix). The second questionnaire focused more directly on the consumption process in situ, and the factors affecting peoples' propensity to consume when in these locations was studied. This covered aspects such as consumer

expectations, the use of brands and the emotional aspects of the consumption process (the Propensity to Consume Questionnaire and results are presented in the Appendix). Consumers (particularly fastrack consumers in airports, railway stations and service stations) were unwilling to answer a longer survey which would have incorporated both parts. These two abbreviated questionnaires could be completed in a very short time and so the response of consumers (even those in a hurry) was much better than would otherwise have been the case. It was crucial to gain responses from those consumers in a hurry as they were recognised as an important consumer group in the sites studied (see Chapter Five for a detailed examination of this population). However, even with the shorter questionnaires it was still much easier to elicit responses from those consumers who were clearly not in a hurry. This being the case I had to avoid the temptation of only approaching these individuals.

Participant observation and the observation of participants

Participant observation is a method developed by ethnographers in order to "...better understand the views and ways of life of actual people in the contexts of their everyday, lived experiences...(Cook and Crang, 1995, 22). Geographers have borrowed this technique from sociology and anthropology in order to provide a fuller understanding of their subject matter (see for example, Geertz, 1973; Spradley, 1979; Burgess, 1982, 1984; Hamersley and Atkinson, 1983; Pile, 1991; Cook and Crang, 1995). It is argued that the method of participant observation involves a tension between being a participant and an observer (Cook and Crang, 1995). To be a participant in an arena of study implies an immersion in the culture, rhythms, routines and community being studied. Conversely, it is also necessary to be an objective observer during participant observation, drawing data from the actions of local actors. This tension in itself highlights the notion that participant observation does not take one single form. Rather, participant observation is a flexible research technique which can be adapted to the actual environments being studied.

Participant observation may take the form of discreet participation, whereby the observer observes, unbeknown to those being observed. This often entails a total immersion into the studied subject area, be that a community, or a work place (see for example Crang, 1994). Alternatively, rather than being a 'hidden' observer, the researcher may make themselves known to the community or company within which they are observing and where they are obviously constantly visible as a researcher. Finally, participant observation may take the form of an external observer who is taking little or no part in the activity being observed, being largely 'outside' the subject area. Whilst this external observation would present problems for studying activities which take place in 'closed' communities, where the observer's view is restricted, it is argued that in the case of research in public activities in public places, such as consumption in airports, railway stations, hospitals and service stations, this form of participant observation gave a physical and visual dimension to my understanding and knowledge which enhanced the quality of this research. In this research the observation of participants was used as a method of corroborating data collected using other methods. Observation of participants going about their activities within the airports, railway stations, hospitals and service stations was one way of engaging with the consumers to better understand their motivation for shopping in these locations. This detached observation added a greater understanding of the processes involved.

One problem of using participant observation for this research was that the subject studied was not so much a culture, community, rhythm and routine practised daily by the same people, as an activity relatively fixed in place but associated with different consumers 'passing through' space. The process of observation consequently took the form of discreetly following individuals as they moved through the location. Due to the restricted nature of the retailing in many of the sites this was a simple matter of remaining in a fixed location and observing their actions and their demeanour. However, in the larger locations (principally the airports) it was necessary to actually follow people, usually from the time they entered the terminal buildings until they went through to the

airside lounge or the departure gates. Notes were taken to compare peoples' actions and particular attention was given to the routine people followed with respect to both the primary function of the sites (e.g. paying for petrol / boarding a plane) and the retailing. Observations of the consumers' body language were also noted, paying particular attention to whether they appeared to be stressed or relaxed, and whether this had a bearing on their shopping behaviour. These observations were valuable because they gave me a much fuller understanding of the emotions and states of mind people were expressing in the interviews conducted. It is therefore argued that the use of participant observation within this research provided many useful insights and a fuller understanding which would not have been available using other techniques.

Conclusion

Many scholars have argued that the contrast between qualitative and quantitative research is a constructive one. Such methods allow research questions to be approached using both sets of techniques, each producing different types of data and hence understanding (Allen, 1991). Such a philosophy is echoed here because different methods were used to produce a richer picture of the processes being researched. More importantly though, the multi-method approach taken in this study ensured that the data gathered using one method was corroborated by data gathered using other complementary techniques. In this way the research generated a holistic picture of the development of retailing in airports, railway stations, hospitals and service stations. The use of several methods has enabled the study to examine the three key players (retailers, landlords and consumers) without falsely promoting the importance of any one group, nor falsely considering any group as subservient to the others.

Chapter Three

The Production of a New Retail Environment

Introduction

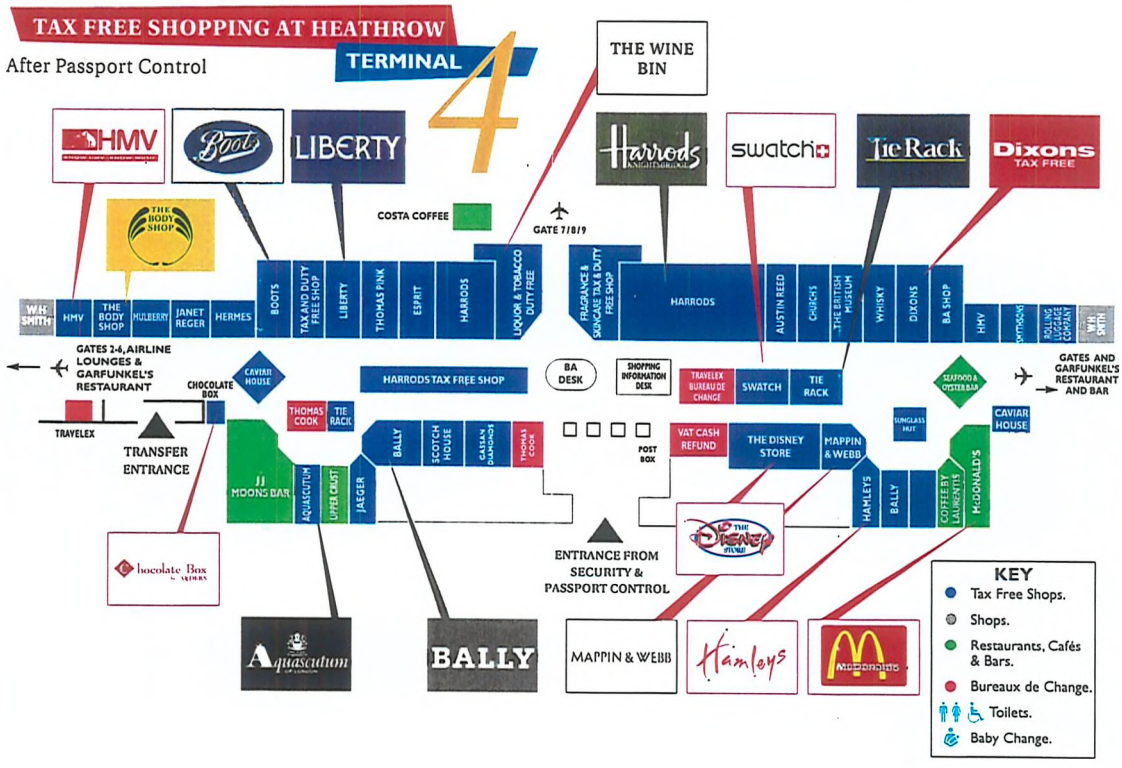
> In little more than twenty years, retailing has moved from being a dull, business backwater to become one of the most important, dynamic sectors of the British economy...In the process it has increasingly offered consumers an ever changing array of products and services - *and new environments in which to buy them.* The resulting 'retail culture' is everywhere - it has colonised huge areas of our social life outside the traditional high street, from sporting venues to arts centres, from railway termini to museums (Gardner and Sheppard, 1989, 1 - emphasis added).

In this chapter, I discuss the development of retailing in four new environments: airports, railway stations, hospitals and service stations. In each of these new environments I describe the retail development that has taken place in recent years. Following this initial description of retail growth I discuss the nature of the changing political and economic environment that has prompted the landlords of these sites to pursue a strategy of retail development. While I argue that the retail developments that have taken place, and the political and economic causes of these, are specific to each location, I will also demonstrate that there are a considerable number of political and economic similarities between each of these environments. Indeed, the principal argument presented in this chapter is that whilst the sites and subsequent retail developments in them do exhibit differences, retail development by the landlords is a response to a combination of political and economic forces. The chapter thus examines how the combined effects of privatisation, commercialisation and increased competition in the core activities of these sites has provided the incentive and the possibilities for diversification and retail development in these non-traditional locations.

Retailing takes off at the airport.

Since Aer Rianta, the Irish Airport operator, opened the first duty-free outlet at Shannon Airport in the 1950s, airport retailing developed steadily. In the last ten to fifteen years, however, airport retailing has truly taken off. Today's air travellers can not only expect to encounter WH Smiths and the duty-free shop, but a combination of high street and international retailers (see Figure 3.1). Names such as Tie Rack, McDonald's, Body Shop, Harrods and Selfridges are now all part of the modern airport experience in the UK. In the 1990s, airport retailing is playing an ever more important role in the operation of airports and is becoming increasingly significant to the wider retail environment.

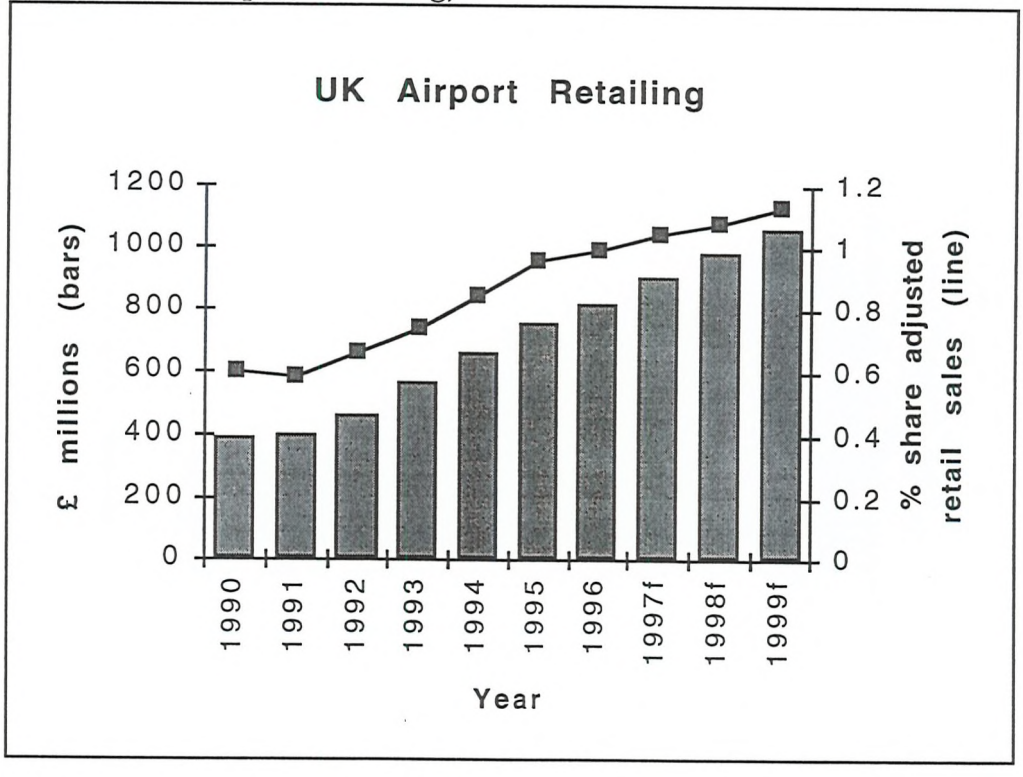
Figure 3.1 High street and international retailers at Heathrow airport



Source: BAA airport guide (1997)

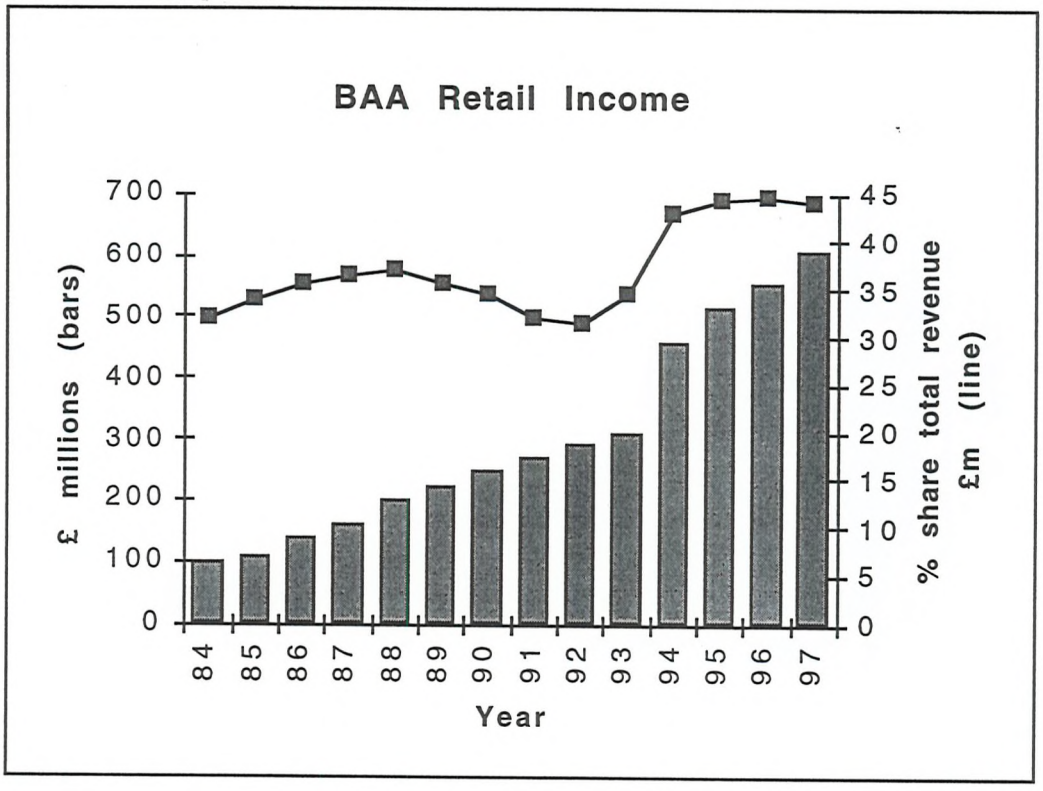
Airport retailing currently accounts for over 0.5% of all UK retail spending, a share that has nearly doubled since 1990, and this sector of retailing is predicted to continue growing into the next century (see Figure 3.2). Moreover, whilst this growth in airport retailing is significant, it does not represent the true strength of retail growth at airports when comparing it to total UK retail sales. Total retail sales for the UK includes a vast array of items not offered at airports, such as groceries, furniture, hardware and DIY products, which bias the comparison in favour of total sales. Removing these from the comparison demonstrates an even more impressive rate of growth of airport retailing, putting the current share of UK retailing at more than 1% (see Figure 3.2). Furthermore, airport retailing is forecast to rise by 12% per annum into the next century, whilst the growth of comparable retail sales is predicted to rise by just 4% per year (Humphries, 1996).

Figure 3.2 UK Airport retailing, 1990-1999



Source: Datamonitor / Humphries (1996)

Figure 3.3 BAA retail revenue.



Source: BAA annual retail report (1997)

Airport retailing is also increasingly significant to the airport operators. An examination of BAA, the UK's largest airport operator responsible for Heathrow, Gatwick, Stanstead, Southampton, Glasgow, Edinburgh and Aberdeen airports, illustrates not only the scale of retail growth, but also the increasing significance of retailing to their total revenue. Figure 3.3 illustrates that BAA's retailing revenue has developed rapidly, rising from £98 million in 1984 to £606 million in 1996/7. Moreover, the value of this retail income to BAA really becomes apparent when considering that BAA's total profit for 1997 was only £444m.

As is the case for retail growth at all UK airports, BAA's rate of retailing growth has been impressive. Retail revenue rose by 10% and 10.5% in 1995 and 1996 respectively, compared to 2.4% in the UK as a whole. Much of this revenue growth stemmed from the growth in retail space at BAA's sites, which increased by 175,000 sq. ft to 825,000 sq. ft during 1995/96, allowing the number of retail outlets to rise from 227 in 1994 to 484 in 1996 (BAA, 1996; CIR, 1994). During 1996, BAA attempted to take

its involvement in rétailing a stage further by bidding £130 million for the Allders duty free business only to be outbid by Swissair's offer of £160 million. In response, Des Wilson, a spokesman for BAA, declared that BAA would continue to look elsewhere "...to press on with our strategy of developing our world-wide duty-free business." (FT 6/6/96 C&M, 1; see also Davis, 1996a). This strategy resulted in BAA launching 'World Duty Free' in its airports in November 1996, with world-wide ambitions for expansion.

In addition to this dynamism in retail growth, BAA expect further development if they are granted permission to build a fifth terminal at Heathrow. If such permission is given it will allow BAA to further expand the retailing facilities at Heathrow, as the new terminal is designed to be as large as the four existing terminals put together and to include a shopping centre bigger than nearby Staines or Richmond (Thomas and Nagle, 1996). Thus it would seem that BAA's retail expansion is set to continue. As Barry Gibson their Retail Director, explained there is still plenty of scope for expansion: "Retail is a tiny tiny proportion of airport terminal area. There are 3,000 acres at Heathrow and we only have around one per cent of that." (quoted in Davis, 1996b, 6). Moreover, such retail expansion is not limited to BAA, with predictions that the retail floorspace at Britain's largest airports could reach 565,000 sq. ft by the year 2000, with major growth at nearly every airport (see Table 3.1).

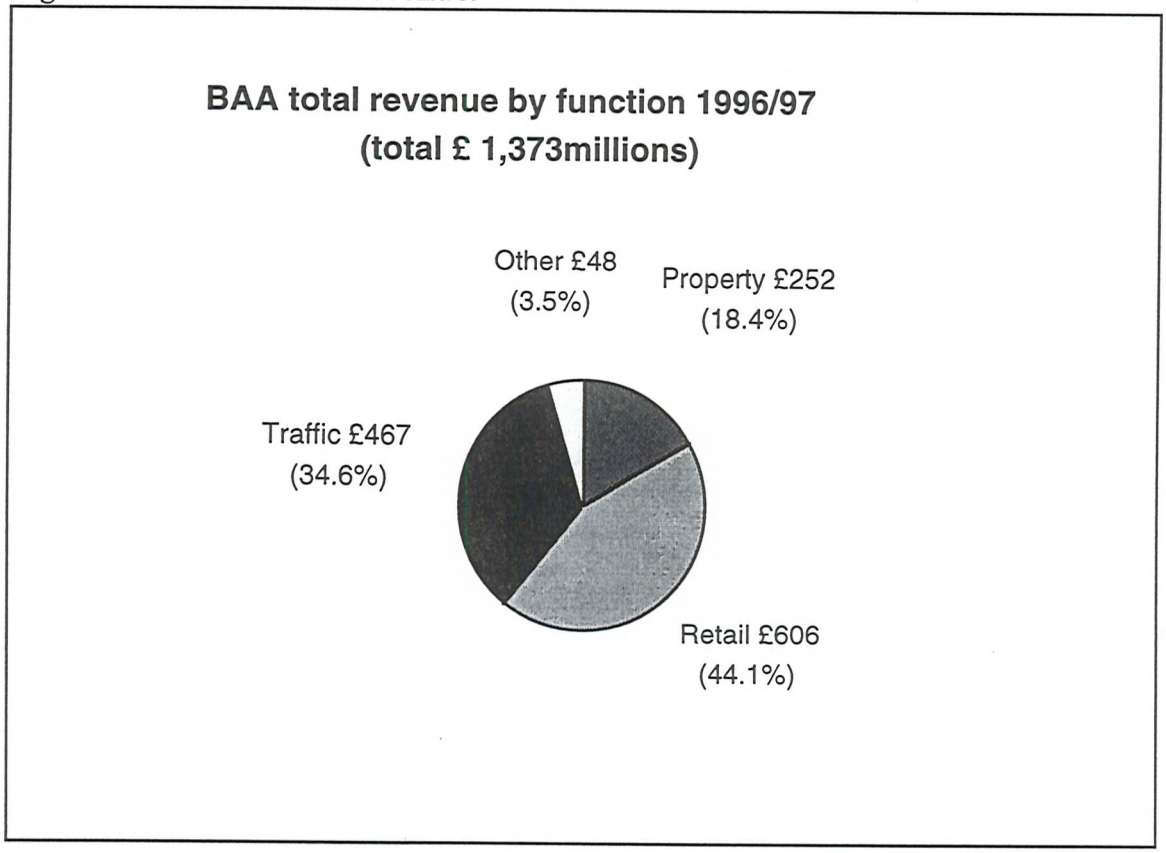
Table 3.1 Potential retail floorspace at Britain's largest airports by 2000.

Airport	*Potential sq. ft*	*% increase 1993-2000*
Heathrow	200,000	63
Gatwick	90,000	16
Manchester	74,000	87
Luton	33,000	360
Glasgow	27,000	100
Birmingham	20,000	21
Stanstead	20,000	11
Newcastle	13,000	169
East Midlands	13,000	117
Bristol	13,000	294
Leeds/Bradford	13,000	442
Cardiff Wales	13,000	465
Edinburgh	13,000	177
Aberdeen	13,000	335
Liverpool	10,000	335
Total	565,000	75%

Source: Chesterton, 1993.

Retail growth at airports has another significant impact, as it has led the airport operators to be less dependent on their traditional aeronautical revenue sources. At BAA retail income has become the key element of their revenue. Figure 3.3 shows that BAA has seen the share of its revenue from retailing rise from a little over 30% in 1984 to 44% in 1997. BAA's traditional activity of landing planes and passenger charges is no longer their largest revenue source (see Figure 3.4) with retail now accounting for the largest share (45%) of their income. In individual airports the share of revenue accounted for by retailing can be considerably higher still and at Heathrow, the largest of BAA's airports, commercial income accounts for nearer 70% of total revenue generated (Humphries, 1996).

Figure 3.4 BAA total revenue.



Source: BAA, 1997.

From petrol to Pizza Hut: Retail growth at service stations.

Retail development and expansion has followed in a similar vein at service stations, another new retail environment. The most significant of these developments is the growth of convenience stores, fast food outlets and the emergence of supermarket brands on forecourts in the UK (see Figure 3.5).

Figure 3.5 An example of recent retail developments at service stations

Source: Forecourt News (1996)

As Mike Rowland[1] explains, such changes mark a major shift in the oil industry within the UK:

> Could it not follow that what we are seeing is a total restructuring of the industry where the majors now no longer term themselves oil companies but seek to find a new position in the business world. I see them moving away from the traditional core areas of business in fuel sales and forecourt oriented

[1]Mike Rowland is an oil industry consultant specialising in the field of forecourts.

> business into being general retailers. On new sites it seems that shops generating a high level of retail sales are starting to appear as their core business, and the tie-ups between the major oil companies and the supermarket owners such as Tesco, Sainsburys and Budgens would appear to prove my argument (Rowland, 1997, 10).

Such a shift in the focus of the fuel retailers has led Elf to advertise for service station managers with retail experience, rather than experience in the fuel retail industry. This is described by an Elf spokesman as "a change in the mindset from being an oil company involved in retailing to a convenience retailer involved in selling petroleum products" (Quoted in Forecourt Trader, June 1996). Thus the oil companies have shifted their focus towards the retailing element of their operations. This has resulted in a number of tie-ups with the grocery retailers themselves, as can be seen in Table 3.2. Further forecourt tie-ups have involved Texaco and Burger King, Dunkin' Doughnuts and Pizza Hut; Elf and Burger Master; Fina and Wimpey; Shell and Ben and Jerry's, and the partnership of Shell and Sainsburys' loyalty schemes, all of which emphasise the growing significance of retailing in the oil company strategy.

Table 3.2 Forecourt Tie-ups.

Company outlets	Brand/retailer tie-up	Number of sites
Shell	Select	890
Esso	Snack and Shop	950
Jet	Jiffy	130
Texaco	Star Market	400
Q8 Petroleum	Budgens	5
Elf	Le Shop	50 planned
Elf	Somerfield	one on trial
Tesco	Express	14
Mobil	Mart	700
Mobil	Cullens	one on trial
BP	Express	250
BP	Safeway	100 planned
Total	Alldays, Sketchley	120

Source: Lee, 1996.

Jet is one example of an oil company that seriously invests in the retail side of its business and the company plans to become a fully fledged retailer in the future. As a means to develop this strategy, Jet is pioneering a multi-faceted approach to the retail side of its business. This retail expansion at Jet includes the incorporation of fast-food outlets, shops with post office counters, cash dispensers, in-store bakeries, newsagents, dry cleaning services and even off-licences into their service stations (Forecourt Trader, June 1996).

This emphasis on developing the retail side of the oil business is explained by the income that forecourt stores can achieve. As an example, an undeveloped shopping site at an Elf service station will contribute about £5,000-£8,000/year to the forecourt income. In contrast, a large newly developed forecourt such as Flamstead End, north of London, will contribute up to £30,000 a week to the total income. However, even these figures seem small when considering the total size of the market that the service stations are exploiting. In 1994, Shell estimated that the convenience shopping market in the UK was worth £31 billion, of which forecourt shops accounted for £2 billion, a figure that had grown to £2.9 billion by 1995 and is expected to reach £3.5 billion by the year 2000 (European Retail, April 1996). This predicted expansion of forecourt retailing is supported by John Lawler, shops marketing manager at Shell UK, who has declared that "We have our sights set on a far larger slice of the pie" (Lawler, 1994, 3). The seriousness of the oil companies' intentions to gain a larger slice of the retail pie can be witnessed by the plans of several of the oil companies to open shops without petrol pumps. Elf currently has five 'Le Shop' outlets in high streets, whilst there are similar plans for Shell to go it alone with its Select Shop in the future (Lee, 1996). This emphasis on the retailing side of the business is illustrated further by John McCarthy, construction manager at Elf, who explained that "...the company will be spending all its money on the shop side of the business and not developing the forecourt side for the simple reason that there is no money in fuel sales at the moment" (Duncan, 1996, 35).

Forecourt sales currently account for 2% of all UK retail sales (Hollinger, 1996). As was the case for the airports, it is the strength and scale of growth in this area which provides an indication of future developments. Forecourt retail sales grew by 18% in 1998, whilst total UK retail grew by only 1.4% (Financial Times, 16/7/98). Such growth demonstrates that forecourt retailing is an area of increasing significance to both the oil companies and the UK retail industry as a whole (Hollinger, 1996; 1988). Indeed, retailing is now considered as a central function of service stations, a view supported by the granting of an alcohol licence at a service station in East Molesey, Surrey, in 1995. In granting an alcohol licence at a service station the magistrates acknowledged the fundamental point that food retailing was the *prime focus* of the site, rather than selling fuel (Margolis, 1995).

Retailing on track at Railtrack

The railways have had a long association with retailing. In 1841 the first station bookstall was opened at Fenchurch Street Station and for a long time newsagents and refreshments seemed to make up the staple of station retailing. However, in the 1980s the stations were given a broader retail mix with shoe repair shops and bureaux de change being followed by specialist retailers such as Tie Rack, Sock Shop and Knickerbox. Over the same period, newsagents kiosks expanded and developed into fully-blown shops and the old snack bars are now often a franchise for McDonald's or Burger King.

Retail expansion in railway stations has developed at an accelerating rate in recent years and rental income has increased from £8 million in 1985 to £40 million in 1996, a figure that property consultants believe could easily be doubled (Barnett, 1996). This growth is primarily as a result of the recognition that Railtrack could develop their stations in much the same way as BAA has upgraded its retail facilities at the airports (Teather, 1997). The railway stations are thus considered to present similar, though obviously not identical, opportunities for retail growth as some of the smaller airports

(Strohm, 1996). These opportunities have recently been highlighted by a property consultant who explained that:

> In retailing terms Railtrack is one of the biggest shopping centre owners in the country. But it has been wasting its potential. It has some plans that will be controversial, but could be immensely profitable (quoted in Barnett, 1996, 3).

In 1997 Railtrack was responsible for 14 major stations in Britain: Birmingham New Street, Charing Cross, Edinburgh Waverley, Euston, Gatwick Airport, Glasgow Central, Kings Cross, Leeds City, Liverpool Street (London), London Bridge, Paddington, Manchester Piccadilly, Victoria and Waterloo. In addition to the direct control of these sites, Railtrack also retained the development rights at the remaining stations in the network (roughly 2,500 locations). Major retail developments have already taken place in several of the larger stations including the development of Manchester Piccadilly's main concourse, a 20,000sq. ft. retail development at Glasgow Central known as the Caledonia Centre and a major redevelopment of Liverpool Street station in London where retail units now extend over the track (see Figure 3.6). Further examples of Railtrack's retail expansion have been detailed in a £1 billion station regeneration programme announced in May 1997, which will see an improvement in the facilities "...which enhance the start and finish of the rail users' journeys" (Railtrack, 1997a). Part of this regeneration will see Paddington receiving a £50 million refurbishment that will include a new mezzanine level to increase space available for retail, whilst plans exist for the development of a 300,000 sq. ft. shopping centre at Edinburgh Waverley station, in the heart of the city (Railtrack, 1997a).

However, it is not only the large or existing stations that will benefit from retail development. Plans also exist for several regional stations, including Aberystwyth, Cambridge, Eton Central, Norwich, Salisbury and Windsor, to become shopping centres in future (Packer, 1997). At Cambridge there are plans for a new suburban station, Chesterton Sidings, to be developed with an adjacent 27,900sq. m centre that will include a department store. At Norwich's Thorpe station there are proposals for a 16.8 ha.

development in co-operation with the Asda subsidiary Gazeley to include 12 non-food shops as well as a food superstore, bowling alley and cinema. Similarly, the redevelopment of Eton Central will see 40 different shops and restaurants built in a 6,000 m^2 development, with tenants including such distinguished names as Jaeger and Charbonnel et Walker. According to Steve Tyler, a spokesman on retail development at Railtrack, such developments are "...aimed at making railway stations shopping destinations in their own right" (Quoted in Packer, 1997, 18).

Figure 3.6 Retailing at Liverpool Street Station

Source: Author

Trusts hear the tinkling of the tills

The proliferation of retailing in the 1980s and 1990s has extended the retail environment into almost every sphere of modern society. Not content with colonising environments such as airports, service stations, and railway stations, even hospitals are now part of the retail-isation of society (Gardner and Sheppard, 1989). Such retail expansion at hospitals

is reflected in this comment made by a reporter during the retail development at Sheffield Hallamshire Hospital:

> I found niche retailing raging at the Sheffield Hallamshire Hospital. The entrance hall (or should one call it the shopping village?) is crowded with bookstalls, gift shops, flower stalls. Indeed in this bonanza of retailing activity the appearance of an actual patient, ashen faced in his wheelchair, strikes one as a little thoughtless, like the unwanted spectre at the feast. It is hard to remember that this is a place of *healing*...(quoted in Gardner and Sheppard, 1989, 67).

Of course it is not just Sheffield that has received the retail treatment. Addenbrooke's hospital in Cambridge generates in excess of £300,000 a year from its shops in the main entrance that were designed by Saunders Design to incorporate a mini mall. Here several retailers that might be expected to be present at a hospital, such as a flower shop and convenience store, exist side by side with some that may seem less obvious for a hospital environment. These include a fashion outlet, a travel agent, a bank, a solicitor and a Citizens Advice Bureau. In addition to these outlets and the revenue they produce, a food court has also been developed adjacent to the main shopping area at a cost of £3/4 million. Here, high street brands such as Burger King, Pizza Hut, Upper Crust and Café Select are located to serve those who work in and visit the hospital.

Addenbrooke's is one of eight hospitals in the UK that underwent retail development in partnership with BAA, the airport operator, in the late 1980s and early 1990s. Another of these partnerships took place at St Thomas' Hospital in London during 1993. In this case, rather than redevelop the existing entrance to incorporate retailing, St Thomas' had a new main entrance designed to make use of an existing bicycle park between two wings of the hospital. The result was a new entrance incorporating the main information desk of the hospital and six new retail outlets that include a bank, a coffee shop (Café Select), a florist, a clothes retailer and an extension to the existing John Menzies store. The main objectives of this development were to improve the quality of patient services and to generate additional income. The level of this 'additional income' was established in an interview with Ian Williams, the marketing and

commercial development manager at St Thomas', as being in the order of £300,000 per annum. However, this is not the end of the developments as here, as at Addenbrooke's, plans exist for further retail development, most notably that of a food hall in the St Thomas' complex.

Figure 3.7 Retail development at Southampton General Hospital

Source: Author

Retail development at hospitals has not been restricted to those in partnership with BAA. Southampton General Hospital has been developed in association with an outside agent which was employed to develop and manage the retail facilities that were an integral part of the redesign of the hospital's main entrance (see Figure 3.7). The redesigns of the three hospitals mentioned here give some indication of the way thinking about retailing in hospitals has developed in recent years. As July Speck[2] , the commercial manager of

[2]July Speck is the Commercial Manager at Addenbrooke's Hospital. She moved to the hospital through BAA when they managed the retail facilities. When BAA withdrew from this venture she stayed. Prior to working for BAA she was a manager at Marks and Spencer's.

Addenbrooke's, explained during interview, such retail incorporation is not being ignored in the planning of new hospitals either:

> *I was talking to a conglomerate yesterday who are looking at building a new hospital for the year 2010 and they are actually planning to build it with a shopping mall and food court, because they now realise that it does work...They are in an ideal position because they can get it right from the start.*
> (Interview, 2/8/95)

Post-Fordist service providers?

The growth of retailing in sites such as airports, railway stations, hospitals and service stations, as outlined above, can be considered to be part of a much broader economic and political shift that has taken place since the 1960s. Harvey (1989) describes this shift in the mode of accumulation from Fordism to flexible accumulation as:

> a direct confrontation with the rigidities of Fordism. It rests on flexibility with respect to labour processes, labour markets, products and patterns of consumption. It is characterised by the emergence of entirely new sectors of production, new ways of providing financial services, new markets, and, above all, greatly intensified rates of commercial, technical and organisational innovation (*op cit.*, 147).

Harvey goes on to examine each part of this statement in turn. But for this thesis, it is the last section that is most significant. According to Harvey, these intensified rates of commercial, technical, and organisational innovation have meant that many corporations have become more innovative with respect to their activities. Many large corporations have intensified their turnover rates by developing new activities and products, accelerated by the wave of mergers and corporate diversifications (Harvey, 1989). The net result of a shift to a mode of flexible accumulation that has taken place is that large numbers of their workers now no longer work in the core activity with which those companies were traditionally associated, as is illuminated by retailing at airports, railway stations and hospitals.

The managers of many large corporations now take the attitude that their duty is to make money for their shareholders, rather than a particular product, and this attitude was perfectly demonstrated during an interview with Mark Melvin[3] , retail co-ordinator at Texaco, when he said:

> *In the oil companies we are probably fourth oil company, but we are happy to go down the league if we become more profitable, and we will become more profitable by introducing other ways of making money.*
> (Interview, 23/8/95)

This general move towards flexibility in corporate organisation results in companies adopting new adaptive strategies to cope with the economic climate they face (Gertler, 1988, 1992). For the companies with which this thesis is concerned, it can be seen that such adaptive strategies have resulted in the corporate diversification of their activities. These companies can be considered to be post-Fordist service providers that offer a range of services outside their traditional core activity and retailing is a key part of this diversification.

BAA underwent a rapid and vast programme of expansion and diversification following its privatisation in 1987. In 1988 BAA's expansion plans included the development of a hotel business that would serve both business and tourist travellers. These hotels were to be built both at airport and non-airport locations throughout the UK and Europe (BAA, 1988). In October 1988 construction began on a £47 million 475 room four star hotel by Gatwick's North Terminal, with a further £41 million 400 room project near Heathrow Terminal Four and a £13 million 250 room project at Stanstead (BAA, 1989). However, BAA did not restrict its diversification into the hotel business to 'organic growth' through the construction of new hotels, and was seeking suitable business acquisitions, with Ramada Inc. being one possible venture, although this move subsequently broke down. Remaining broadly within the airport business BAA increased its involvement in the cargo business by making two acquisitions: in February 1989 it

[3]Mark Melvin was manager of retail operations at Texaco.

bought Scottish Express Ltd, a company providing freight forwarding and road haulage facilities, and in April the same year it bought the company dealing with bonded cargo at Heathrow and Gatwick (BAA, 1990).

In February 1988 BAA extended its commercial activities outside the airport business when it signed a contract with Cambridge District Health Authority to develop retail facilities at Addenbrooke's Hospital. Development of this commercial area was not restricted to Addenbrooke's and a further seven hospital's retail facilities, including St Thomas' in London, were being managed by BAA in 1990[4] (BAA, 1988-1990). The utilisation of BAA's retail expertise was not restricted to hospitals either and BAA pursued opportunities for the management of overseas airports. In 1990/1991 this policy resulted in BAA being awarded a 15 year contract to manage/develop the retailing at Greater Pittsburgh International Airport in the USA (US Air's major domestic hub), with the possibility for further contracts in the US and world-wide if they proved successful, Australia and China being of particular interest (BAA, 1991, 1992). In 1992 BAA was further utilising its expertise in winning contracts for work securing an agreement to design a new Hong Kong airport and a new airport in Malaysia (BAA, 1992)

Further diversification away from the core airport business at BAA resulted in the acquisition of Lynton Plc, a property development company, in July 1988. This purchase was made in order for the company to "...obtain the skills it needed to develop airport land surplus to its operational requirements and to establish an additional non-core related profit centre" (BAA, 1989, 10). A point supported by Louise Herbert[5] of BAA, when she stated that:

> *The Lynton's property portfolios were acquired primarily as a means of maximising the prime slots of land that BAA owns. It is a case of needing to be flexible and diverse to survive.*
> (Interview, 4/8/95).

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[4] BAA withdrew from managing retail facilities at hospitals in 1995.
[5] At the time of the interview Louise Herbert was the Group Retail Development Manager at BAA. She has subsequently become the Group Retail Travel Services Director at BAA.

This policy of expanding non-airport activities received a further boost in 1994 when BAA signed a deal with MacArther/Glen, a leading outlet mall operator/developer in the US, to develop designer label outlet malls. The first of these opened at Cheshire Oaks, near Chester (UK) in April 1995, with a second at Troyes, south east of Paris in France (BAA, 1994, 1995, 1996).

Such an approach can be seen as an optimisation of the assets that BAA possesses and indeed, a similar programme of diversification and optimisation of assets has been taking place in the railways as Bob Hill, the Director of Property at Railtrack, stated:

> I do not see any reason in the future why we should not be involved in acquiring land for non-rail related business if it is part of the general health of our company (Hill, 1994, 6).

As such, the railway operators do not see any reason for restricting themselves to operational activities. Rather, as John Nelson[6] explained, the diversification of the role of the railways to include eating, drinking, shopping and, in his example, even ice-skating may have more than one benefit for the rail operators:

> Not only is it making good use of the asset, it gives us the opportunity to reach some people who may never otherwise think of using the train for social reasons (Nelson, 1994, 6).

Thus for the railways, the largest opportunity for diversification and expansion of their commercial assets lies in the development of their substantial land assets:

> At many stations - on the concourses or on parcels of railway land next to them - there is the opportunity to introduce leisure facilities, shopping centres, business parks, or mixes of all three, especially now that the government has wisely moved to discourage out-of-town developments[7] (Nelson, 1994, 6).

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[6]John Nelson was BR Group Managing Director, South and East at the time of rail privatisation. His role was to prepare the newly formed train operating companies for franchising as part of the government's privatisation plans for British Rail.

[7]The government policy towards out-of-town developments and the role of transport in the such developments are covered in PPG6 and PPG13. The implications of these for the growth of retailing in sites such as airports, railways, hospitals and service stations are discussed in chapter Four.

Just as the increase in commercial awareness within the airports and railways has led to a penchant for diversification, so the hospitals that became Trusts have demonstrated a remarkably similar attitude. Despite the financial constraints that exist for the development of commercial activities at hospitals, the Trusts have demonstrated that they are adept at developing alternative revenue streams. These alternative sources of income include the introduction of fees for car parking at the hospitals and the building of commercial incinerators. Other alternative income sources include advertising within the hospital, as well as the growth in treatment of private patients and overseas patients who pay fees . Further to these sources, and in a similar fashion to BAA, the commercial managers at some of the hospitals are realising the possibilities of their commercial expertise. However, unlike BAA they are more restricted in the way they can develop due to the financial constraints they face. July Speck from Addenbrooke's Hospital outlined the potential and the restrictions hospital commercial mangers face during interview:

> *We actually looked at the possibility of putting together a package to go into other hospitals and say oh yeah, this is what you need to do. The only problem with doing that is that there are a lot of developers out there who are prepared to do all of that and who have got the financial backing. I've done a little bit of consultancy work and I am in the process of possibly doing a bit more, and I am very happy to talk to other hospitals and give them the benefit of our experience if you like, within reason. If they actually want me to draw up contracts then they'll have to pay for that because it is a facility that we can offer. The problem for us developing facilities is that you need the financial backing, and with companies like Laing, the builders, who are wanting to get involved with projects like this, they've got the [financial] backing.*
> (Interview, 2/8/95)

The petrol forecourt operators have not been negligent in developing alternative profit streams either. Today's forecourts offer a wide range of services including banking, valeting and shopping as well as the original fuel and car related sales. There is, however, a long history to the development of the modern forecourt. Petrol retailing was initially undertaken by convenience stores with pumps outside. Before long, however, specialist outlets appeared whose raison d'être was the servicing of motoring. This focus on motoring led to the garage becoming the predominant unit, whereby pumps were in front of a workshop. The result of this 'mechanic mentality' was that the retail side of the

trade died (Finch, 1991). Retailing was seen as a support facility, providing car related products, and not as an opportunity in its own right. In the late 1960s and early 1970s forecourts, however, moved to self service and facilities at their sites began to take on a more professional air. This shift in attitude towards asset utilisation occurred at the time of the Middle East war (1967-1973) as the attendant oil crisis prompted the retailers to reconsider how they could achieve greater returns from their locations (Martin, 1991).

With this rethinking of their role, forecourts began to diversify into a broader based profit opportunity (Finch, 1991). The results of this diversification led to the large scale development of forecourt shops that were a brand within a brand. And it is these shops which have developed into today's retail offers at forecourts, whereby the major oil companies have branded forecourt stores, such as Shell Select, Star Market at Texaco and Mobil Mart.

In addition to the diversification of the forecourts into convenience stores , the operators looked at other possible uses to which they could put their land assets. One of these was the potential for including car washes on forecourts. Since their initial introduction in the early 1960s, car washing has become an important niche market and it plays an important role in expanding profits (Casey, 1991). Such changes within the fuel retailing sector amount to a subtle but significant shift in the attitude and activities of the oil companies. The previous focus on fuel retailing is giving way as the importance of the other activities at their sites takes precedent. This is reflected in the attitude of the managers within the oil industry who realise that what is required is "...service orientation, with innovative flair for timely response to opportunities" (Oil company manager quoted in Mintel, 1995, 9).

A changing political landscape: privatisation of the 'providers'

In the preceding sections of this chapter I have outlined some of the changes taking place in airports, railways, service stations and hospitals, including the retail growth at these sites. The remainder of this chapter explores the political and economic reasons why the landlords have pursued retail development in this way. It will be argued that there has been a major shift in government policy during the last 30 years that has directly altered the ways in which the airports, railways and hospitals function as enterprises. In this section I will demonstrate that retail growth in these sites is linked to ongoing changes in policy and in the regulatory environment.

During successive Conservative Governments from May 1979 to May 1997, public sector industry was radically transformed. This transformation was the consequence of an ideological shift that occurred in the 1970s and the adoption of a policy of privatisation that became a cornerstone of the Conservative policy framework (Heald and Steel, 1981). At the heart of this policy were three principal strands. First, the reduction of state activity at all levels through rationalisation and restructuring, with the aim of reducing the Public Sector Borrowing Requirement (PSBR). Second, the transfer of the burden away from the state towards the individual. And third, greater private sector practices within public services through the introduction of competition and the operation of market forces (Mohan and Woods, 1985). This policy of privatisation was in stark contrast to the Keynesian/interventionist policies of the post World War Two period.

Privatisation is, however, not a simple concept and has a variety of definitions. These include what can be termed denationalisation, whereby state ownership of nationalised industries is transferred to the private sector through the sale of public sector assets. The aim of this form of privatisation is to introduce greater levels of competition, resulting in greater efficiency and reduced costs. For certain areas of industry, denationalisation is seen to give greater freedom to the managers of the privatised

companies, giving them access to financial markets to raise capital and also granting them new possibilities to pursue non-core activities. This form of privatisation is particularly relevant when examining the retailing activities of the airports and railways in the UK.

Other definitions of privatisation include deregulation and tendering (see Kay et al, 1986, for a discussion of these), which involve liberalisation, commodification and marketisation (see Saunders and Harris, 1990, for an examination of the differences between these). These forms of privatisation are, however, considered by some to be a relatively narrow definition and Swann (1988) proffers a useful umbrella definition of privatisation, stating that:

> Privatisation can best be defined as the introduction into the public sector, or what has previously been the public sector, of conditions which typify the private sector (*op. cit.*, 2)

In this definition, Swann provides the possibility for a consideration of privatisation where no change of ownership takes place. Rather this definition of privatisation means that a public enterprise may remain in public ownership, whilst adopting a more commercial approach. According to Swann such an approach may lead to these public enterprises maximising profits, providing goods and services only if the price covers the costs involved and adopting cost minimising procedures. This broader definition would therefore include many of the changes occurring within the NHS and the subsequent shift to NHS Trusts, which have alternatively been described as commercialisation (Pinch, 1997). It is the privatisation and commercialisation within the airports, railway stations and hospitals which I will now examine. This examination will highlight the ways in which changes to the political landscape and subsequently the organisational structures have resulted in a changing philosophy within airports, railway stations and hospitals.

Flying solo: the trend towards airport privatisation

As the necessity and cost of investing in infrastructure development at airports has increased there has been a reduction in the willingness of governments to subsidise it

prompting a gradual loosening of ties between government and the management and operation of airports (Humphries, 1996; CIR, 1994). One consequence of the initial loosening of ties between the UK government and airports was the creation of a semi-autonomous airport authority. In 1966 the British Airports Authority was created to run a group of four airports, Heathrow, Gatwick, Stanstead and Prestwick[8]. These airports would be operated as an independent commercial enterprise whilst remaining under central government ownership and run by a civil servant, Sir Norman Payne[9], whose approach upheld central planning (Doganis, 1992). At this time, the majority of the remaining airports in the UK were under local government control. These airports tended to be owned by one or more regional or municipal authorities whose traditional philosophy towards the airports was summarised by the commercial manager of a municipally owned airport during interview:

> *They [the municipal authorities] have always seen airports as having a function ...[as regards] regional development, economic development, status, let's not beat about the bush. And they see airports as having a less commercial role, they are operationally biased. It's what I call the sausage machine philosophy. Local authorities believe that the best definition for a successful airport is one that can turn out the handiest plane sized chunks in the shortest possible time.*
> (Interview, 13/12/96)

However, as attitudes have shifted, the view that airports were in some way quasi-public utilities to be run and financed by local or central government in the public interest was abandoned by central government. This shift in policy is highlighted by the government White Paper on *Airport Policy,* written in 1978 by the then Labour government. The White Paper stated that 'there could be no general justification for subsidising airports and air services...' (HMSO, 1978, quoted in Doganis, 1992, 5), a policy that was subsequently advanced by succeeding Conservative governments.

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[8]In 1971 Edinburgh joined the group, to be followed by Aberdeen in 1974 and Glasgow in 1975. In 1990 Southampton Airport was acquired by the then privatised BAA Plc taking the total number of airports under its control to eight. However, Prestwick Airport became an independent airport on April 1st 1992, leaving BAA with the remaining seven UK. airports that it still operates today.

[9]Sir Norman Payne was in charge of privatising BAA.

Moreover, in 1985 the conservative government published a white paper on *Airports Policy* that sowed the seeds for 'real' privatisation of airports in the UK. The White Paper stated that it was the government's policy that airports should operate as commercial undertakings and that airport policy should be directed towards encouraging enterprise and efficiency by providing for the introduction of private capital (HMSO, 1985).

This White Paper was followed, in 1986, by the *Airports Act* which turned the British Airports Authority into a limited company. As a result, BAA Plc (made up of seven UK airports) was floated on the Stock Exchange for £1.3 billion in 1987. At the same time the government's policy (through the Airports Act) encouraged the privatisation of airports owned by local authorities and councils. This policy was incorporated into the Airports Act, which required all local authority owned airports where annual turnover exceeded £1 million to become limited companies subject to the Company Act[10]. The intention was that these companies would later be fully privatised and sold to private investors in the same manner as BAA. This has resulted in companies such as Birmingham International Airport now being owned by a combination of public and private shareholders, with the local authorities continuing to hold 49% of the shares.[11] However, some local authorities have continued to be the primary shareholders of regional airports.

Privatisation of the Railways: a change of track

The railways were another public service to come under the hammer during the Conservative regime of the 1980s and 1990s. Post-privatisation experiences of other state corporations had demonstrated that they had been inefficient in many aspects, such as

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[10] This policy affected airports such as Birmingham, Blackpool, East-Midlands, Humberside, Leeds/Bradford, Luton and Manchester, and by 1989 16 airport companies had been created owned by one or more local government authorities.

[11] In 1990 Liverpool airport sold 76% of its shares to the private sector and East-Midlands airport was sold to National Express for £40 million. Cardiff and Belfast (a management buy out) have also followed the privatisation route.

their use of labour and other productive factors. Moreover, it was argued that the absence of competition or effective regulation had made management unimaginative, slow to innovate and unresponsive to consumers' demands (Glaister and Travers, 1993). In much the same way as the airports, the railways were to be privatised and subject to market forces. Following the White Paper of 1992[12], the *Railway Act* was passed by Parliament in 1993. This privatisation can again be viewed as an attempt to introduce more market discipline into the operation of the railways and particularly in the running of the railway stations, as is demonstrated by the then Secretary of State for Transport, John McGregor:

> ...too often under British Rail the stations have been the Cinderellas of the system. The [Governments] proposals are designed to bring in private sector finance and expertise to exploit their development and commercial trading potential and help to provide a more attractive environment for passengers. (Quoted in John, 1994, 1).

The privatisation of the railways was a complex process which resulted in the break up of British Rail (BR) into more than 80 separate companies. A new body, Railtrack, took control of the infrastructure of the railways, such as track, signalling and stations, and the property that was available for disposal remained with BR. At the same time freight operating companies (FOCs), station operating companies (SOCs), train operating companies (TOCs), rolling stock leasing companies (ROSCOs), and train engineering service companies (TESCOs) were all set up, each of them paying access charges to Railtrack (Hill, 1994; Mellor, 1994). From April 1994 onwards these individual companies were transferred into the private sector as individual franchises. An example of the workings of this system are the TOCs, which run the rail franchises over specified lines for a pre-determined period. In May 1996 Railtrack was privatised for £1.93 billion and in addition to the fixed operational assets of the rail network, such as line and signals, 14 major stations remained under the direct control and ownership of Railtrack. It is these stations that are likely to witness the first evidence of rail privatisation in station design, management and service provision (Railtrack, 1997b).

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[12] Cm2012 New Opportunities for the Railways: The Privatisation of British Rail.

Patients and Hospitals? No 'Purchasers' and 'Suppliers'! Reforming the NHS.

Just as in the case of airports and railways, there has been a significant change in the NHS throughout the course of the post-1979 Conservative governments. Whilst successive Conservative administrations remained committed to maintaining the NHS, largely for political reasons, there remained considerable scope for restructuring the health system. Thus a policy of partial privatisation evolved during the Thatcher years which involved some elements being contracted out to the private sector (such as cleaning and laundering) and the new provision of private hospitals and health insurance for those who were able and willing to pay.

The reforms of the NHS are, however, far more wide reaching than the contracting out of secondary services. As early as 1983, with the publication of the Griffith Report, attempts were being made to make the NHS more 'businesslike' through the introduction of management techniques drawn from industry. It is interesting to note that Roy Griffith (the author of the Griffith Report) was Deputy Chairman and Managing Director of Sainsbury's and his report aimed to improve efficiency and value for money in the NHS. However, it was not until January 1988 that the Government announced a review of the NHS. This followed the funding crisis in 1987 in which some hospitals were under such financial pressures that they were taking emergency measures such as temporarily closing wards, cancelling non-emergency operations and calling on financial reserves to remain within their budgets (Ham, 1994; Ranade, 1994).

This review suggested that the NHS should continue to be centrally funded but greater efficiency should be pursued. Further to this, tax breaks were used to promote private finance and provision of health care alongside the NHS (Ham, 1994; Ranade, 1994). This resulted in the number of people covered by private health care insurance growing to 13% of the UK population in 1989 and it has continued to grow steadily

thereafter. Alongside this growth in private health insurance there has also been an increase in the number of people being treated in the private sector, so that by the late 1980s an estimated 15% of all treatment and care was provided by the private health care sector (Ham, 1994).

Reforms of the NHS did not seek the direct privatisation of health care but reforms have taken place in NHS organisation. In particular, the government paid favourable attention to a report by Alain Enthoven, an American economist, who espoused a system of internal markets as a way forward for the NHS. The benefits of this system of internal markets was supported by the health secretary at the time, Kenneth Clarke:

> Because it tried to inject into a state owned system some of the qualities of competition, choice, and measurement of quality that you get in well run private enterprise. (quoted in Ham, 1994, 6).

The government review, that was overseen in its later stages by Kenneth Clarke, resulted in the publication of a White Paper *Working for Patients* in January 1989. This White Paper stated that whilst the fundamentals of the NHS would remain intact (being supported through taxation), reforms would be made. The major change was to be in the delivery of health care, which was divided into purchaser and provider roles. Self-governing NHS Trusts were set up in the provider role to run hospitals and services, whilst district health authorities became purchasers of services. GP practices were also given the opportunity to become fund holding purchasers of services for their patients.

This reform resulted in a change from the old system of hospitals being granted a fixed 'global' budget to pay for all patient care, regardless of efficiency and the numbers of patients treated, to a system whereby the money followed the patients in what has been termed a quasi-market situation (Pinch, 1997; Le Grand and Bartlett, 1993; Glennerster and Le Grand, 1995). The outcome of this fundamental change in the financing of health care was that an internal market was created in which district health authority hospitals

and NHS Trust hospitals (the providers) would now compete for purchasers (patients and fund holding GPs). The justification for internal markets is that they undermine the primacy of the providers of services, so providing creating competition which provides incentives for greater efficiency (Pinch, 1997; Ham, 1994). Thus, in 1991 the NHS managed market came into operation with the first Trusts setting up that same year, leading to competition both between the NHS providers and also with service providers outside the NHS, such as BUPA.

Changing philosophy: a move to commercialism.

The 'privatisation' of the airports, railways and the NHS that took place during the 1980s and 1990s was designed to maintain tight control over the Public Sector Borrowing Requirement and to reduce state funding of development at these sites. In the case of the airports, the government felt "...that airports have the financial strength to raise and pay for their own capital investment." (Doganis, 1992, 28). While this shift in government policy and 'ownership' did not lead directly to a growth of retailing in these sites, one consequence of privatisation was that the companies' philosophy and approach changed, prompting them to seek new sources of revenue and investment.

As argued earlier in this chapter, one of the government's principal aims of privatisation was to instil greater private sector practices within public services by introducing competition and market forces to run profit making activities. This exposure to market forces has led to the services changing their role from being public utilities run in the public interest, to more commercially oriented operations, competing for market share and striving to increase their share value.

The privatisation of these organisations has given them greater financial freedom and access to funds for investment. This was hugely beneficial to their commercial (and retail) development, as Frank Gray[13] explained when discussing BAA:

> *They were always aggressive, but privatisation immediately gave them access to the markets which they didn't have [previously]. It gave them access to capital funds and they have been able since privatisation to get funds easily. And if they were looking for £20 million for an extension to Gatwick North to put in retail 12 years, 15 years ago, when BAA was a nationalised industry that money was coming from somewhere else, it may have meant that you didn't do a baggage claim area somewhere. Well when you have those kinds of choices, in the past BAA may have gone for the baggage claim area and tried to get the retail money if they could. Now they can get the retail money they want, so the access to the markets has been crucial for them.*
> (Interview, 10/12/96)

Access to capital markets allowed BAA to borrow £200 million in 1988, a sum which had risen to £350 million by 1990 and of this, £150 million was earmarked for the development of Gatwick North Terminal (Doganis, 1992). Likewise the privatisation of the railways allowed Railtrack to fund the development of new infrastructure projects that had previously been impossible. The optimistic view of rail privatisation was that "...attracting private sector capital into station infrastructure creates the potential to pursue imaginative development schemes of the type evidenced at Liverpool Street. In turn this will make the experience of using stations a more pleasurable experience rather than one that must be endured" (Mellor, 1994, 5). Here parallels are inevitably drawn with the case of Japan's railways, where the break up of the national railways into private regional railways led to large scale investment and the development of the property assets of those regional railways.

Privatisation has, however, had additional consequences for the businesses affected. Indeed, it is perhaps the change in philosophy at the heart of the organisations that is the most important result of the government's policy towards them. As the ties

[13]Frank Gray is the Director of Consultancy at Cooke Neil Associates and is an expert on the design of airports and the incorporation of commercial facilities within them. He was formerly Marketing Manager of BAA and Assistant Director at Houston Intercontinental Airport in Texas. He has also been the Airport Retail Editor of ACI Airport Business Magazine.

between the government and the airport operators have been loosened and the pressures to be financially independent have grown, so the managers of the airports have been given the freedom and the incentive to become more commercially oriented (Doganis, 1992). At BAA this shift in philosophy has prompted the senior managers to focus on profit and returns, as Jeremy Marshal, BAA's chief executive at the time, stated in 1988 shortly after privatisation:

> Let us be absolutely clear about our main strategic objective, with no beating about the bush: Profit. (Quoted in Doganis, 1992, 32).

This frank statement of BAA's strategic objectives was reiterated by the present Chief Executive, Sir John Egan, if in a more restrained manner, when he stated that:

> The airports business is characterised by steady long-term traffic growth. Ensuring that profits match and indeed outpace, that underlying growth is our principal managerial task (BAA, 1991, 6).

At BAA, this shift towards what Doganis (1992) describes as a commercial strategy is evident by the changes in the managerial structure of BAA and the status accorded to the group retail director, Barry Gibson, as Frank Gray explained:

> *I think that individuals are important, very important, but not so much the individual but the level at which that individual is at. Barry Gibson happened to be the first main board commercial director that BAA has had. Previously the commercial directors have been of a service company, or trading, they have not been main board. Barry Gibson is main board and in that context has seniority over many of the airport directors.*
> (Interview, 10/12/96)

This point is supported by Louise Herbert from BAA, when she says that:

> *Privatisation meant that we must maximise our revenue in order to satisfy the shareholders and the only way to do that is to get the right people in the right places.* (Interview, 4/8/95)

This commercial philosophy is not restricted to the fully privatised airports such as those of BAA as Frank Gray argues, it is evident in the municipally owned airports as well:

> *Even though they are run by the local authority, in the UK I would say that most of the local authority run airports are still run on a commercial basis. They have a good retail focus and they are pushing to get commercial in there. Whether you are talking about Luton, Bristol, East Midlands, Birmingham or Manchester.* (Interview, 10/12/96).

This point is supported by Steve Hodgetts[14], Commercial manager at Birmingham International Airport, when he describes the changes in attitude that have taken place in such airports:

> *This company has had to recognise that [a commercial] climate exists, therefore, it now believes that retail has to play a greater importance. The question then is where abouts in the continuum does this airport fit? If you see the BAA as one end of the continuum where retail is all and if you have to compromise your operational facilities to get more shops in then do so. At the other end you have got the purist local authority airports like us who believe that operations is all and retailing must fit into that. I believe that we are now moving towards a more middle position in which retailing's importance is accepted, its importance in location is accepted also, so it won't be compromised by operational flows.*
>
> *What I will say is that even here there is a realisation that retailing has to work for us.* (Interview, 13/12/96)

The development of an increasingly commercial philosophy is by no means the preserve of the airports as a shift to such thinking also appears to have been an important factor in the privatised railways. Here, according to Mellor[15] (1994, 1), the climate for investment in the post privatised era "...can only be reinforced by the introduction of a more commercially oriented regime in the management of the operational rail assets", a view supported by Bob Hill[16], the Director of Property at Railtrack, who believes that the privatised railways approach "...will almost certainly focus on the twin pillars of finance and management and will involve private sector skills that might come in a whole range of ways" (1994, 5). Mellor goes on to say that the traditional operational focus of BR (of

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[14]Steve Hodgetts is the Market Development Manager-Commercial at Birmingham International Airport Plc. He is part of a team responsible for the commercial facilities at the airport at both operational and strategic levels.

[15]Andrew Mellor is a principal consultant at Steer Davies Gleave specialising in urban public transport planning, management and financial analysis. He has acted as an advisor on policy, pricing, regulatory issues, planning and investment strategies for transport operators, local authorities and government agencies.

[16]Bob Hill is currently the Director of Property at Railtrack. Prior to this he was the Managing Director of British Rail Property Board from 1992-1994.

running a transport network) had led to a neglect of the assets that were in BR's control. This neglect is principally reflected in the under-development of land assets and the opportunities these represent. Mellor argues that in the past short term budget considerations drove the company philosophy making long term investment programmes less attractive. In the post-privatised railway, such constraints have been removed and greater commercial potential can be attained through a structured commercial approach, with the "...long term possibility of repositioning the stations as the focal point for urban growth and development, echoing their importance in the early years of the century" (Mellor, 1994, 9).

Such long term commercial sentiments are echoed by a representative of the train operators, John Nelson[17], when he stated that:

> It is vital that we do exploit our station assets to the full, not as in the past by means of sell-offs to bridge gaps in public funding but to harness revenue streams that will revitalise and strengthen our rail business in the long run.

This attitude is now being formalised by Railtrack in their commercial approach to station development and Railtrack are becoming more aware of the twin uses of major stations for both travel and buying goods (Hill, 1995). This commercial attitude has led one retailer to note:

> *The long term picture is one of tremendous opportunity. Not only for Boots but also for the privatised network, whereby Railtrack could generate tremendous non-rail income that could be as significant as it has become for BAA, i.e. more than ticket sales themselves.* (Interview, 21/7/95)

Perhaps the most surprising demonstration of the shift towards a commercial attitude post privatisation/commercialisation comes from the NHS. Here, pressure to look for alternative income streams was coming from the Department of Health prior to the set up of Trusts, as Tim Cronin[18] of Southampton General Hospital suggests:

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[17]John Nelson was BR Group Managing Director, South and East at the time of rail privatisation. His role was to prepare the newly formed train operating companies for franchising as part of the government's privatisation plans for British Rail.

[18]Tim Cronin is the commercial manager at Southampton General Hospital, part of the Southampton University Hospitals NHS Trust, established April 1993 as a second wave trust.

> *Going back to the 1980s, '86,'87,'88 that sort of time period, before Trusts came into being and before money for patients and all that, we were getting initiatives, or directives from the Department of Health suggesting that we should be looking at ways of generating additional income in hospitals that could then be used to supplement patient services.*
> (Interview, 11/8/95)

Acting upon these directives and initiatives was initially restricted due to the establishment of Trusts which lead to a period of major reorganisation for the hospitals. However, following the setting up of Trusts in the early 1990s, a true commercialism began to filter through into the hospitals and their management, as Tim Cronin of Southampton General explained:

> *Once that [reorganisation] settled down people started to look to be more commercially aware, so I think from '92,'93 onwards obviously those Trusts that had already set themselves up started to look at other things... But it was from the late '80s onwards that...hospitals became aware that they had a valuable asset that could obviously be exploited more than had been done so far.* (Interview, 11/8/95)

For the hospitals, as with the airports and railways a commercial ethos was implanted right at the heart of the Trust organisation and structure, as July Speck, the commercial manager of Addenbrooke's stated:

> *Hospitals are becoming Trusts, they are becoming businesses and the majority of hospitals have got on the board - and throughout the hospital - they have got people who have come from industry, from the real world who are used to income generation and making money because at the end of the day we are a business and you've got to look at it that way. My background is purely commercial...you'll find that most hospitals have now got managers with horrendous titles like income generation manager...*
> (Interview, 2/8/95)

The level of commercial management within hospitals also appears to be significant when considering the commercialisation that has taken place within the restructured NHS. Just as at BAA, where the importance of commercial revenue has been illustrated by the group retail director having a seat on the main board, so the importance of commercial thinking at Trust hospitals also appears to have reached this level. At St Thomas' in London Ian Williams[19] explained the situation:

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[19] Ian Williams is the Marketing and Corporate Development Manager at St Thomas' Hospital London.

> *We have just had an internal reorganisation again and [my boss] is now called Director of Commercial Services, so he has a seat on the executive. So in terms of where we fit into the power hierarchy he is on the executive and he has a say in line with all the other Trust directors.*
> (Interview, 9/8/95)

This level of commercial thinking in the privatised services can be considered to be one of the main driving forces behind the diversification of the activities of these companies, and the retail growth witnessed in them.

Competition in the 'Core': driving towards non-core income

Privatisation and the resultant commercialisation are, however, not the only causes of new retail development at the airports, railways and hospitals. Indeed, such policy developments need not result in retail development and could, conceivably, lead only to greater efficiency in the core activities of the privatised organisations. Additional pressure to seek alternative revenue streams has come from competition and the restrictions placed on the core activities of many privatised businesses. In addition to privatisation and commercialisation, these organisations, together with service stations, have diversified into alternative revenue streams in response to falling income from their core activities (running airports, railways and providing health care). These core activities have been affected by a number of processes including; government regulation of the core activity; restrictions on investment capital for those organisations still partially in the public sector; and increased competition from other service providers.

Regulating the monopolies and introducing 'competition'

Whilst the increased freedom from government control allowed the organisations involved to pursue an increasingly profit oriented approach to their activities through diversification, market forces and competition were supposed to regulate the privatised services and prevent them exploiting their position. However, competition was not always forthcoming as some of the privatised services held a natural monopoly position

(Doganis, 1992). In the case of BAA, possibly the most zealous in its pursuit of profit, there were instances where they appeared to be taking advantage of their monopoly position. Shortly after privatisation Frank Gray argues that "...they increased dramatically their duty-free prices, well above the cost price increase they got from suppliers" (Interview, 10/12/96). In a similar manner BAA introduced fees for taxis to use their taxi compound at Heathrow and bus and coach companies were told they would have to pay a fee to pick up passengers. In addition, controversy centred around car parking charges and the restrictions on competition at BAA's sites, leading some to suggest that the "...privately owned BAA Plc increasingly gave the impression of a rapacious monopolist out to squeeze the last penny from its customers and users..." (Doganis, 1992, 32). This public impression of BAA led the Office of Fair Trading to approach the Monopolies and Mergers Commission (MMC) to investigate the practices at BAA, although this action was abandoned in 1990 when BAA made assurances about its future conduct (Doganis, 1992).

Following the privatisation of organisations such as BAA, the government naturally has less control over their activities and regulation was left to the 'market'. However, in recognition of the monopoly position that many of the privatised airports occupy, the government made provision in the 1986 Airports Act to prevent the abuse of such a position (Doganis, 1992). This Act placed tight controls on the new airport companies and BAA in particular. In particular, direct regulations were imposed by the Civil Aviation Authority (CAA) on the three BAA airports, Heathrow, Gatwick and Stanstead, and Manchester Airport (Britain's third largest airport in terms of passenger numbers - see Table 3.3), with the option of subsequent expansion to include other airports.

Table 3.3 UK Airport Terminal Passenger Numbers 1995.

	Airport	*Passengers* (000's)
1	London, Heathrow	54,107
2	London, Gatwick	22,383
3	Manchester	14,538
4	Glasgow	5,422
5	Birmingham	5,333
6	London, Stanstead	3,890
7	Edinburgh	3,280
8	Newcastle	2,510
9	Belfast International	2,350
10	Aberdeen	2,243

Source: Manchester Airport Traffic statistics.

The CAA established a formula for regulating the maximum amount that the airport operators could levy by way of airport charges. This formula for regulation became know as RPI-x, whereby the airports could raise their aeronautical charges (aircraft landing charges and passenger charges) by no more than the Retail Price Index minus a figure to be determined by the CAA. This formula was to be reviewed every 5 years and adjusted accordingly. For the first period of 5 years after the Airports Act the formula was set at RPI-1% for Heathrow, Gatwick and Stanstead. This meant that the revenue these airports received from their core activities fell by 1% per annum for the next five years. However, this was just the tip of the iceberg as far as regulation was concerned and in 1991, following the first five year appraisal, the Monopolies and Mergers Commission (MMC) recommended that the formula be altered from the existing RPI-1% to RPI-4% and the CAA proposed that BAA should be subject to a formula of RPI-8%. The response of BAA's managers to this severe regulatory regime was to argue that it would inhibit its investment programme, to the extent that it may no longer be able to build the proposed fifth terminal or the Heathrow rail-link (Doganis, 1992). A compromise was struck that involved a sliding scale for the next five years resulting in a formula that changed year on year for each of the following five years starting in 1992 with RPI-8%, RPI-8, RPI-4, RPI-1, RPI-1. The current regulatory formula for BAA has

again changed slightly in that from 1 April 1997 Heathrow and Gatwick work under the formula of RPI-3%, whilst Stanstead is now separated and has the luxury of a more lenient regime of RPI+1%.

Such restrictions on the core income stream for the airports at BAA led to them charging some of the lowest airport and passenger handling fees in the world (BAA, 1995). One consequence of this constraint on the core income stream, and the artificial competition it imposes, is the incentive it provides to diversify the activities of the company and to expand the commercial activities of the airports that fall outside of the CAA's regulatory jurisdiction. In BAA's Retail Report the impact of the RPI-x airport charges formula is cited as one of the main reasons that "it is essential for BAA to further develop retail revenue" (BAA, 1995, 3). This sentiment is illustrated by Louise Herbert, of BAA, when she explained BAA's approach to its revenue sources:

> *The reason behind revenue being a driving factor is the fact that we are a regulated private company, i.e. we can't charge whatever we like for landing charges and in fact there is a formula for airport charges which year on year reduce the actual airport charges and therefore our percentage made from them. So in order to satisfy the shareholders, who the company is now responsible to, we had to find other income areas.* (Interview, 4/8/95)

The impact of regulation is not solely restricted to the effects on shareholders' dividends, as the capping of the revenue from the core activity also has a huge implication for the development of airport infrastructure. In 1995/6 BAA forecast that it would spend £1 million every day for three years on expanding its airport capacity - and in 1996/97 BAA invested £496 million (BAA 1996, 1997). Such a huge capital undertaking obviously requires the income to fund it, and as Frank Gray notes, the regulation of the core income stream drives BAA to look for alternative sources of revenue:

> *I think they spend £1 million a day on capital developments. Well, when you are capped on your main source of income, or what was your main source of income and you have to spend a million a day, or somewhere near that level, you have to get it from somewhere.*
>
> *BAA had no choice but to develop. This is where they are different. Other airports have a choice, BAA is regulated on their operational income so that it cannot increase it and in fact it is declining in real terms, so they have to get the revenue from somewhere to put capital into their business. The only place they can get that in any size is the commercial revenue.* (Interview, 10/12/96)

In a similar vein, Railtrack is still charged with meeting the costs of the maintenance and renewal of railways despite the withdrawal of government subsidy. This commitment to infrastructure development has led Railtrack to announce a £1 billion programme for station regeneration at 2,500 sites by the year 2001, as part of a wider programme to invest £4 million a day on the railways (Railtrack, 1997b). Whilst this scale of investment appears impressive, in June 1997, one month after the announcement from Railtrack, the transport minister, Gavin Strang, said that the industry was under investing and that the government was determined to bring about change through increased regulation. Furthermore, Railtrack also now has to achieve a return on the capital employed, of 5.1% in 1994/5 and 8% in 1997/8 (Mellor, 1994; Glaister and Travers, 1993). With no natural competitor, Railtrack is externally regulated on its core activity by the Office of the Rail Regulator (see Glaister and Travers, 1993; Foster, 1992 for a review of these). And as in the case of BAA, Railtrack is regulated using the RPI-x formula. For Railtrack this formula has been set at RPI-2% until 2001 and as Andrew Mellor explains:

> Since the track access charges which Railtrack can levy on franchisees are controlled by the Rail Regulator, to achieve its financial targets Railtrack will need to generate a rising amount of non-regulated income.

Regulation thus provides a strong impetus for diversification and the expansion of alternative revenue streams, although it does not necessarily explain why the other airport operators, who are not regulated by the RPI-x formula, would choose to operate in the same way. In these instances, airports are restricted on the level of investment they can make in their airports and those controlled by local authorities, such as Birmingham International, have been severely restricted by the Public Sector Borrowing Restrictions. As Steve Hodgetts of Birmingham International explained:

> *Well we are more constrained than BAA are at present because we are counted towards the Public Sector Borrowing Restrictions, so in actual fact we can't go to the market for most of our needs because the treasury won't give us cover for it.* (Interview, 13/12/96)

In 1993/4 such restrictions meant that only £12 million of expenditure was available to the 26 municipally owned airports - a figure that fell to £8 million in 1994/95 (CIR, 1995). When these figures are compared to investment levels of £1 million pounds a day by BAA and the project at Manchester (municipally owned) to refurbish Pier B of Terminal 1 that is costing £7.5 million alone, it becomes apparent that the incentive for such municipally owned airports to seek alternative income streams is also increasingly strong.

In addition to these restrictions on their finance, however, is the fact that airports such as Birmingham do not yet have sufficient passenger numbers to generate enough revenue to fund infrastructure development. This leaves such airports in something of a paradoxical situation whereby they require capital to develop the site in order to generate greater passenger levels, which in turn, would provide greater income to fund future plans. So far the solution at these airports appears to have been one of full privatisation, as in the case of Cardiff and East Midlands Airports, which provides easier access to private capital for investment. However, in 1990, Birmingham Airport adopted a different strategy by setting up a company, half of which was privately owned, which could then get access to private capital and so circumvent the Public Sector Borrowing Restrictions. This process of using private partners to fund development at Birmingham has recently gone a stage further with the sell-off of 40% the company to NatWest Ventures and Aer Rianta, the Irish airport operator. This sell off takes that share of the company out of Public Sector Borrowing Restrictions and in so doing frees up access to the markets for capital in the future.

Restricting the Public Sector Borrowing Restrictions is not the only manner in which the core income of those airports remaining in local authority ownership is restricted. Such airports are not able to raise their aeronautical charges (to the airlines and passengers) to give them the income they would desire (one that would cover all infrastructure development costs) because they are operating in a competitive market. The

fact that BAA and Manchester airports are regulated on the charges they can levy at airports has had a knock-on effect for the non-regulated airports, as Steve Hodgetts of Birmingham Airport explained:

> *They [BAA] have set the floor with that, because their charges are falling in real terms every year. If ours grow in real terms every year then we are putting ourselves at a competitive disadvantage, and whilst ten years ago there was a belief in airports as systems and that their places in the hierarchy would be allocated by the government, ten years since the 1986 Airports Act has made it a completely open playing field...So we've been competitively constrained on our aeronautical income streams. Airlines themselves have not had the best of times ...That's another constraint on aeronautical income streams because you can't overprice because all you are going to do is either bankrupt your airline or drive them elsewhere .*
> (Interview, 13/12/96)

The previous Conservative administrations believed that competition and market forces would provide a superior set of services by stimulating greater efficiency within them. So far I have demonstrated that in the case of the airports, railways and hospitals this new regime has produced the incentive to diversify, with retail growth being one aspect of that diversification. I have also demonstrated that within these privatised industries, true competition is still limited but has none-the-less resulted in pressures to seek alternative income streams, including retailing. In the next section I will examine the case of the oil companies and their service stations, which have been exposed to market forces for much longer. In so doing, I will demonstrate that the competitive forces in the oil industry have produced a similar situation to that witnessed in the newly privatised industries. That is to say, falling profitability in their core income streams has resulted in increased pressure to diversify their activities into retailing.

Living with the competition: supermarkets move into service stations

In recent years the service stations have suffered from a combination of forces that have conspired to make their core business of selling fuel a much more difficult and competitive business than it was only ten years ago. Probably the biggest factor that has changed within the fuel retailing industry has been the introduction of greater competition. This increase in the competitiveness of the fuel retail market can be primarily

attributed to the market entry of the large supermarket chains. These supermarket chains have taken their share of the fuel retail market to 17% (see Table 3.4), a figure that is expected to stabilise at about 25% of the market (Kirkpatrick, 1994). The impact of the supermarkets' entry into the market is noted by Clive Head, group retail manager at Mobil[20]:

> *Tescos have been selling petrol for four years and in a recent marketing survey are the instant number one recall for petrol. So they've leapfrogged over all the oil companies.* (Interview, 3/8/95)

Table 3.4 Share of fuel sales 1992 and 1994.

	1992		1994		% point change
	litres bn	%	litres bn	%	1992-94
Esso	4.44	18	4.34	17	-1
Shell	3.64	14	3.58	14	_
BP	2.89	12	2.81	11	-1
Texaco	2.51	10	2.3	9	-1
Mobil	2.03	8	1.53	6	-2
Grocery multiples	2.88	12	4.34	17	+5
Others	6.7	27	6.64	26	-1
Total	25.09	100	25.55	100	

Source: Mintel (1995)

The impact of the supermarket multiples is more significant to the service station business than just the effect that they have had on market share. Possibly the most significant impact they have had is that of effectively lowering the price of fuel and

[20]Mobil merged its UK marketing and refining activities with those of BP on 1st November 1996. The result being that BP will operate the fuels side of the business and Mobil service stations will be converted to BP's livery.

therefore the margins that can be made from selling fuel. The reason that the supermarket chains have had such an effect on the price of fuel is explained by Mark Melvin of Texaco, as being part of their competitive stance against other grocery retailers, as well as being an essential ingredient in extending the notion of the one stop shopping experience:

> *Tescos will use petrol, not as a loss leader but they do not make a lot of money, maybe point one pence per litre and that's nothing. But one, that's a service to their customers, and two its another attraction to get people in. Its making use of a piece of land they have and...it allows them to remain competitive.*
>
> *With petrol prices there's far too much choice, you can drive down the road and pass, you can pass ten petrol stations in a ten mile limit, they're every couple of miles. There's too much choice to rip the customer off, you have to be competitive, ...you have to be competitive on price, otherwise they just go to the next one*[21]. (Interview, 23/8/95)

This reduction in margins due to the competitiveness that the supermarkets have brought to the market is compounded by the fact that the industry is suffering from an excess of refining capacity. The effect of which is described by Clive Head:

> *Within our market our main product, where we used to make all our money from, is basically suffering from a classic demand and supply problem. People don't need as much of it and there's absolutely masses of it on the market. We have to produce it and the processing plants that we've invested in cost an absolute fortune so everyone is waiting for somebody else to shut their refinery, but until that happens there will always be over capacity.* (Interview, 3/8/95)

Such over-capacity conspires against the service station operators as it allows the supermarkets to buy and sell fuel more cheaply. At the same time, the supermarket chains do not have the refining infrastructure and the attendant financial outlay involved in continually investing in such infrastructure. Moreover, the growth in car sales has been slower than expected so over-capacity has proved a long term dilemma (Mintel, 1995). In addition to this decline in the demand for cars, those that are being produced are increasingly fuel efficient. A significant point for fuel retailers, as noted by Clive Head when he said:

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[21]The effects of supermarket pricing on the oil companies can be witnessed in the adoption of the Price Watch scheme at ESSO, plus similar schemes at other petrol retailers, which guarantees the lowest price within a two mile radius, including the supermarkets.

You only need a small improvement in mpg to have a dramatic effect on the long range predictions of demand. (Interview, 3/8/95)

Retailing fuel has thus become an increasingly competitive and low margin business, one that is further compounded by the effects of government policy and legislation. The government's policy has been one of discouraging private car use, a policy supported by increasing taxation on motoring costs, with a commitment to raise fuel duty by at least 5% per year (Joseph, 1995). In July 1998 the duty paid on a litre of unleaded petrol costing an average price of 65.5 pence was 44.0 pence, or 67% of the total, on top of which 17.5% VAT is charged, whilst the fuel costs 8.0 pence, overheads of the retailer 3.1 pence and profit a miserly 0.5 pence per litre (Institute of Petroleum, 1998). So whilst there has seemingly been a growth in the market for petrol, oil and antifreeze of 36% between 1990-95, that figure included tax rises, ensuring that in real terms, there has been a 15% decline in the market since 1990. In addition, recent environmental legislation which targets the petrol forecourts has introduced controls over ground water and soil contamination, bringing further costs to petrol retailers in the UK (Kirkpatrick, 1994).

The impact of the increasing competitiveness and capital costs of petrol retailing can be witnessed in the falling number of service stations, which have declined from 24,108 in 1982 to 16,971 in 1994 with projections that the number will be down to around 15,000 or even 9,000 by the year 2000 (Kirkpatrick, 1994; Mintel 1996; Barrow, 1996). This reduction in the total number of stations must be set against the increase in supermarket sites selling petrol which have expanded from 294 in 1990 to 556 by 1993 and stood at 704 in 1996 (Valentine, 1996). In addition Tesco broke new ground in 1994 by operating completely stand alone service stations - Tesco Express - again highlighting their significance and impact upon this sector.

Such competitive and legislative pressures have led the petrol retailers to the conclusion that change is necessary, as Clive Head of Mobil summarised:

> *Traditionally the profit mix over here has been about 80:10:10 [fuel:valeting:shop]. People thought well yeah that's the way it should be, we're a petrol company, we sell petrol that's what we know. The supermarkets come on the scene and sell it like a brand, like Nescafe...and once you start losing market share then suddenly people start changing the way they look at their business...Today we want to be more evenly split in our activities. That's what has been happening in the fuel industry, people have been changing. If we don't change you're not gonna be in business, and we're not talking like two years time, we're talking this year. It is that hard at the moment.* (Interview, 3/8/95)

This comment from Clive Head of Mobil has proved to be very accurate. In November 1996 BP and Mobil merged their UK forecourt activities, a move which was followed by the formal union of Elf, Gulf and Murco in the UK, meaning that of the 'seven sisters' who dominated the oil world for nearly a century, three sisters (Mobil, Gulf and Murco) disappeared in the UK overnight (Rowland, 1997).

Conclusion

The organisations studied in this thesis have become more flexible and diverse in their operations in recent years. This diversification of their operations is clearly illustrated when examining the development of retailing within their sites. Retailing has come to play a significant role in the income generation, profitability and the physical infrastructure of these organisations, to the extent that they can now be considered as post-Fordist service providers. Such profound changes are seen to be in response to a variety of political and economic influences that have been impacting upon the airports, railways, service stations and hospitals in recent years. An examination of these political and economic particularities demonstrates how they have stimulated change in each sector. The ways in which these organisations have adapted, and continue to adapt, their operations to the political and economic environment is one of the fundamental reasons for the growth of retailing at these sites.

During the Conservative Governments of 1979-1997, public sector services, including airports, railways and hospitals, were radically transformed. The changes involved the adoption of private sector practices such as competition, choice and

measures of quality within these services. In the case of the airports and railways, this was largely achieved through their privatisation. Within the NHS, such objectives were pursued by what has been termed commercialisation, with one outcome of this being a shift to NHS Trusts and the promotion of private health care provision. However, privatisation and commercialisation did not lead to total economic and political freedom for these organisations. Indeed, regulatory bodies put in place to prevent the privatised air and rail operators abusing their monopoly positions (and to improve efficiency within them) presented these organisations with a situation whereby revenue from their core activities was actually falling per passenger. This falling profitability of the core services placed the air and rail operators in a similar predicament as the oil companies, who's profitability was falling in response to both increases in government taxation on fuel and direct competition. The falling profitability of the core services in the airports, railway and service stations thus provided the economic incentive for these organisations to seek alternative profit centres.

The airports operators, rail operators, oil companies and even the NHS trusts were able to pursue such alternative profit centres as a result of changes to their corporate cultures brought about in response to the political and economic forces outlined. In all of these organisations the managers have been given the freedom and the incentive to become more commercially oriented. Indeed, the corporate culture of these organisations have changed to such an extent that commercial managers are present on the board of directors in all cases, from the oil companies to the NHS Trusts. This level of commercial development and change to the corporate culture resulting from privatisation and commercialisation provides the incentive and ability to seek alternative profit streams. Retail growth in airports, railway stations, hospitals and service stations is one manifestation of this diversification into alternative profit streams that has taken place in the last twenty years in .

Chapter Four
Retailing on the Move

Introduction

In this chapter, I discuss the reasons that retailers have chosen to locate in airports, railway stations, hospitals and service stations. I argue that political and economic factors have combined to create a retail landscape in which these locations are considered to represent opportunities for growth by the retailers concerned. Whilst I will demonstrate that differences exist between the various retailers, I will also draw out various similarities that exist between them. Each retailer has been subjected to the same changes in government policy regarding retail development, each has had the opportunity to take advantage of technological advances in retailing and the increased locational flexibility these bring about, and each has been operating in a changing landscape of retail demand. As outlined in Chapter 1, retail growth in airports, railway stations, hospitals and service stations is considered to be the product of a complex relationship between landlords, retailers and consumers. Examining the role of the retailers in these relationships, and their reasons for locating in these sites, is the purpose of this chapter. By examining the political and economic influences affecting the retailers and their responses to these, the role of retailers in the changes taking place in these new sites of consumption becomes visible. I begin by briefly placing the changes taking place at airports, railway stations, hospitals and service stations within the wider context of retail change in the UK, before going on to look in more detail at the influences on retailers in new sites of consumption, thus seeking to explain the growth of retail in sites such as airports, railway stations, hospitals and service stations from the perspective of the retailers. I conclude the chapter with a brief examination of the problems associated with these locations and demonstrate that airports, railways stations, hospitals and service stations do not represent a panacea for retailers in the future.

Retail change in the UK

The 1980s was a period of growing consumer confidence engendered by economic growth, rising personal incomes, increases in asset values (particularly house values) and a measure of political confidence. The physical result of this consumer confidence was a massive demand for, and subsequent growth in, retail facilities in city centres and in new out-of-town locations[1], in effect following the North American example (Jolly, 1995; Eve, 1995). If academic authors are to be believed, the scale of these changes in the UK are truly monumental and that "Britain's high street revolution is... the most significant, far reaching economic and social phenomenon of the age" (Gardner and Sheppard, 1989; see also Kay, 1987).

In the late 1990s the out-of-town retail park and shopping mall seem to be an integral part of the retail landscape in the UK. Yet, despite their seeming omnipotence they have had a relatively short life, with out-of-town retail warehouses only appearing in the UK. from the mid-1970s onwards (Guy, 1998). Brent Cross, the country's first out-of-town shopping mall was not built until 1976, and the first out-of-town retail park[2] was not opened until 1982 in Aylesbury. This last development has been described as the 'third wave' of retail decentralisation, taking comparison goods such as clothing, sportswear, toys and household furnishings out-of-town (Schiller, 1986,1987; Brown, 1990; Guy, 1998).

Despite this relatively short history, out-of-town retailing boomed during the 1980s and early 1990s, When the relaxation of restrictive planning legislation made it

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[1] It should be noted that out of town retailing is not a single homogenous entity, and comprises several different facets which include convenience shopping, edge of town retailing, factory outlets and regional shopping centres which are likely to continue to diversify in the future (Pieroni, 1996).

[2] Retail parks are defined as consisting of at least three retail warehouses (Guy, 1998).

easier to expand. Between 1983 and 1995 the out-of-town share of total retailing floor space increased from 8.5% to 22% in the UK (see Table 4.1). By the end of 1996, there were 385 retail parks in the UK, with a further 125 under construction or with planning permission in June of that year (Guy, 1998). There has been a similar shift in the pattern of sales, with the proportion accounted for by out-of-town locations growing from 7.6% in 1983 to 27% in 1994 as seen in Table 4.2.

Table 4.1 Out-of-town penetration (space)

Superstores as % of space	**1983**	**1994**
Food retailers	17.8	38.1
DIY	27.3	62.2
Electrical	4.7	24.6
Furniture and Carpets	11.1	23.6
Other	1.0	4.5
Total Retail	8.5	22.0
Total retail Ex-Food	5.1	18.0

Source: Verdict and NWS Estimates, Verdict (1995)

Table 4.2 Out-of-town penetration (sales)

Superstores as % of sales	**1983**	**1994**
Food retailers	18.0	61.0
DIY	25.8	51.5
Electrical	5.9	21.2
Furniture and Carpets	11.2	26.8
Other	4.1	3.2
Total Retail	7.6	27.0
Total retail Ex-Food	2.2	10.2

Source: Verdict and NWS Estimates, Verdict (1995)

Such figures demonstrate that whilst out-of-town retailing has been on the increase, it is by no means the dominant form of retailing in the UK (with the notable exception of food retailing, where out-of-town locations now account for 61% of total sales). However, predictions for future retail development show that the growth witnessed to date can be expected to continue in future years and by 1998 the high street is expected to account for only 61% of retail space and 44% of retail turnover (Verdict, 1995). Furthermore, the number of scheduled retail openings in these out-of-town locations is also expected to overtake retail openings in traditional high street locations in the near future (see Table 4.3).

Table 4.3 Scheduled Retail Openings

Year	Town Centre		Out-of-town	
	m sq. ft..	% of total	m sq. ft.	% of total
1995	2.4	80	0.58	20
1996	2.66	72	1.04	28
1997	2.78	54	2.35	46
1998	1.66	46	1.92	54
1999	0.68	25	2.06	75

Source: Hillier Parker, Jolly (1995).

This increase in retailers locating in out-of-town locations is also supported by trends in property development which indicate that the majority of large retailers in the UK are concentrating their expansion in out-of-town locations rather than the traditional high street (Retail Week, 21/6/1996). Such further expansion is also predicted by Dr Christopher Pieroni[3], Head of Consultancy at Colliers Erdman Lewis, when he stated during interview that:

[3] Christopher Pieroni is head of research and consultancy at Colliers Erdman Lewis, amongst his responsibilities he is involved in asset enhancement strategies and retail forecasting.

> *Despite the large growth in the out-of-town sector it is still only a minority of the whole retail sector. There appears to be plenty of scope for continued expansion, indeed, looking forward in the short term, the trend towards out-of-town seems set to continue.* (Interview, 12/11/96)

In explaining this growth in out-of-town retailing there appear to be two significant factors to consider; first, the cost push on the retailers and second, the demand pull from the consumers (NatWest Securities, 1995). Out-of-town sites appeal to the retailers because they exhibit distinct cost advantages over the high street, primarily in terms of lower rents and rates. Moreover, the chance to build and design stores with less planning restrictions and with better access is also important, as Stephen Embley[4], of Aukett Associates, commented during interview:

> *The figures that I have researched and seen for the UK would indicate that the general trend for retailing is out-of-town. That is to do with variable sites, the cost of land, access to that land, ease of development and lack of restrictions or consultation in the past.* (Interview, 15/11/96)

Added to these economic and planning advantages, there has been a further bonus that consumers appear to be equally attracted to out-of-town locations as the sites typically offer greater choice, ease of access/parking, lower prices and greater in-store space. There have also been lifestyle changes, largely relating to increased car ownership and usage and changes in working hours which have fuelled these demands[5].

The diversification of the retail landscape that has taken place in the UK during the last 15-20 years is not restricted to the development of out-of-town centres. During the late 1980s and throughout the 1990s retailers have increasingly looked to take advantage of what can be described as a captive audience. That is to say that they have been locating retail activities in locations where there is a through-flow of potential

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4 Stephen Embley is a director at Aukett Associates, who are responsible for developing new retail concepts and implementing these for a range of leading retailers including Sainsbury's, Marks and Spencer, Tesco, ASDA and Virgin. In the transportation sector Aukett Associates are involved in a range of airport and railway projects including landside and airside developments at Manchester, Heathrow and Gatwick, as well as the refurbishment of Paddington station.

5 These issues of lifestyle change and consumer demand will be explored in greater depth in Chapter Five.

consumers primarily engaged in alternative activities but with time on their hands. Airports, railway stations, hospitals and service stations are all places where retailers are taking the shop to the customers. These sites are not, of course, the only examples of retailing moving to the consumers, as is illuminated by the growth of retailing in office buildings, ferries, museums, sports stadia and developments in home and internet shopping. However, the sites examined in this thesis are emblematic of such developments, illustrating the ways in which retailers can take advantage of people who are at particular locations for alternative purposes, such as travelling, working and health care, rather than shopping.

Retailing on the move: the forces of change

Out-of-town, out of favour: planning policies and the implications for retailing

Whilst there has been a dramatic growth of retailing in out-of-town locations in the last 15-20 years, it is argued that "almost every innovation in retailing - a new store, a new product, a new retail format - requires the approval of some public agency" (Jones and Simmons, 1990, 420). The development of out-of-town retailing has recently been threatened by government planning guidelines for retail development, and the ability of retailers to locate out-of-town may be curtailed by government policy in the future (Jones and Simmons, 1990). Government policy towards retail planning is outlined in Policy Planning Guidance notes PPG6 'Town Centres and Retail Development' (1996), PPG13 'Transport' (1994) and PPG13 'A guide to better practice: Reducing the need to travel through land use and transport planning' (1995). The key policy guidelines of PPG6 are to stimulate planning to promote the development of town centres; to ensure a sequential approach to selecting sites for development, including retail; to support town centres; to promote mixed land use in town centres; to facilitate coherent town centre parking strategies; to assess the impact of retail developments on town centres; and to ensure accessible public transport and manageable car use. In their broader remit, these guidance

notes suggest a major shift in policy towards supporting town centres and placing town centres at the heart of regional planning. This remit is supported by planning guidelines which state that less central locations cannot be considered for development before the town centre has been fully considered. Furthermore, town centres are argued to be preferential to out-of-town locations because they act as a hub for public transport networks and can reduce car use, particularly as one car journey will then be used to perform several activities in the town centre. Car use is not however penalised under this planning guidance, as PPG6 clearly states that town centres "...must remain attractive to people who arrive by car" through management of access and proper provision of parking facilities (PPG6, 9).

The latter part of this synopsis of PPG6 (Town centres and retail development) points towards the proposals presented in PPG13 (Transport) which seek to influence the overall level of car use through the location of development, and retailing in particular. The key features of PPG13 are concerned with reducing the growth in the length and number of motorised journeys; encouraging alternative means of travel which have less environmental impact; and reducing reliance on private cars. As far as the development of retailing is concerned, these policy notes highlight that the location of development should be considered in conjunction with transport provision in a way that reduces the length and number of journeys, or fosters the use of public transport, cycling and walking. In considering the private car in particular, PPG13 notes that development should be promoted in urban areas where alternative means of transport are available. Failing this, major generators of travel demand, such as retailing, should be sited in locations where alternative means of transport are highly accessible (PPG13, 1994, 1995)

These policies are aimed at reducing out-of-town development and thus car use. Indeed, shopping accounts for 20% of all journeys, making it second only to journeys to work (21%) (Joseph, 1995). It is also argued that these journeys have been growing in

number and length, with the average number of trips increasing by 27% since the mid 1970s and average journey length growing by 57% during the same period (PPG13, 1995). It is suggested that these increases are primarily due to the growth in the number of shopping trips to out-of-town locations, and an increase in the distance travelled by shoppers to reach these new retailing sites (PPG 13, 1995; Joseph, 1995). These policy notes can therefore be read as an attempt to reduce the environmental impact of retail developments by encouraging retailing to locate in local town centres (O'Connell, 1997). Indeed, during interview Stephen Embley, of Aukett Associates described these policy notes as:

> *Acting together as pillars of future environment planning... [which] a future change in government is unlikely to change* [6]. (Interview, 15/11/96)

It is unlikely that there will be a return to the relative planning freedom that existed during the 1980s in future. Once the remaining planning consents are taken up it is expected that the number of planning consents for out-of-town developments will fall dramatically and the short term picture of out-of-town growth will alter significantly. Indeed, of the 54 proposals for out-of-town regional shopping centres proposed prior to 1989 only 6 are likely to be built (Hallsworth, 1994). Consequently, these policy guidelines are likely to act as a strong brake on retail development at out-of-town locations, effectively halting the third wave of decentralisation (Hallsworth, 1994; Jolly, 1995; Tinworth, 1997; Retail Week, 21/11/97). This point is not lost on the retailers themselves, as Mark Fitzgibbon[7] of Sock Shop noted during interview:

> *If the government don't allow, due to legislation, space to be developed out-of-town, then we will never get retail parks booming. We have already seen a restriction on retail space here.* (Interview, 10/7/95)

The new guidelines have forced developers to rethink their retail strategies and demand for retail space on the high street is already increasing (Davies, B. 1996; Evans, 1997;

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[6] Note that this interview took place prior to the 1997 General Election. It has also been noted by DTZ Pieda Consulting that following the election of Labour, "retailers are facing a stricter regime than under former-Environment Minister John Gummer" (Retail Week, 28/11/97).

[7] Mark Fitzgibbon is retail director of Sock Shop.

Retail Week, 28/1197). Indeed, the high street seems unable to meet the demands of the retailers for space, and so in spite of PPG6 and PPG13, demand for out-of-town sites and venues continues to grow, driving up prices of those locations as investors become desperate to acquire new sites (Tinworth, 1997; Guy, 1998, Retail Week, 10/1/97). PPG6 and PPG13, therefore, provide a significant impetus for retailers to explore alternative sites or forms of retailing which are not legislated against in these particular guidelines[8]. Stephen Embley of Aukett Associates described such locations as:

> *Where there is an adequate available catchment area, land with high transport accessibility and penetrations, but low environmental impact that will counter the influence of PPG6 and 13 and the growing sensitivity of environmental lobbies.* (Interview, 15/11/96)

Future retail location, could therefore be closely tied into the transport infrastructure, as Stephen Joseph[9] suggests:

> If shopping becomes less car based, then there is less need for it to be out-of-town. If future investment is focused on public transport corridors, and on giving priority to public transport then shopping will have to follow (Joseph, 1995, 8).

Linking retailing to transport connections, corridors and termini provides opportunities for sites such as airports, railway stations, service stations and, to a lesser degree, even places such as hospitals to become the focus of retailers' off-centre growth. These sites are often conveniently located for retailing and are not affected by PPG6 and PPG13, as Stephen Embley explained when discussing the possibilities for retail growth at airports:

> *Airports are situated in many cases where they would have the least environmental impact, yet they are the suppliers of excellent infrastructure links, road, rail, air obviously. It would seem appropriate to meeting the needs of the PPGs, especially 13, where you are obviously looking to not develop further traffic needs and you have also got to have the minimum environmental impact, which would seem to suit those airport locations. You have also, if you look at the location of airports, got a large catchment area within a relatively short travelling time by car or by rail and again that would seem to me to push those sort of sites into prime future areas for retailing.* (Interview, 15/11/96)

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[8] See Wrigley (1998), Guy (1998) and Langston, Clarke and Clarke (1998) for a recent examination of how changes in land use planning have created a new retail environment which the supermarket giants and retail parks have responded to.

[9] Stephen Joseph is director of Transport 2000, an environmental organisation.

A similar situation exists for the development of retailing at railway stations due to local authority planning requirements to promote growth along public transport corridors, mainly railways, in accordance with PPG13. Such requirements, it is argued, lead to the development of retailing at transport nodes and interchanges between modes of transport (Joseph, 1995). Indeed, the possibilities for retail development in transport termini are already being recognised by the privatised railways, as Bob Hill[10], the director of property at Railtrack explained:

> We believe that the ability of stations to serve their local catchment areas is one of their greatest strengths and is an area which could be developed profitably. This thinking is helped by a recent government move to limit the growth of out-of-town shopping as part of a belated initiative to reduce dependence on cars (Hill, 1995, 2).

From the interviews conducted with landlords, property developers and consultants, it appears that the airports, railway stations, service stations and, to a lesser degree, sites such as hospitals, represent a spatial fix for the retailers who desire to locate in out-of-town locations but are restricted from doing so by recent government planning guidelines. It is therefore likely that these sites will come to the attention of retailers and developers wishing to continue retail expansion away from the traditional high street without violating PPG6 and PPG13 in the future.

Whilst the property developers, consultants and landlords argue that there is a positive outlook for the future development of retailing at airports, railway stations, service stations and even hospitals as a result of the policy guidelines, it remains to be seen whether the retailers also believe that these sites represent the future of retail development in the UK. In terms of the railways, a senior manager of one retail company said that railway stations represent an opportunity for a dramatic development of retailing:

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[10] Bob Hill is currently the Director of Property at Railtrack. Prior to this he was the Managing Director of British Rail Property Board from 1992-1994.

> *We've had conversations with Railtrack and there are some stations around the country...they're not unique stations because there could be more than 100, where it is possible to build onto the station a convenience business.* (Interview)

Similarly, the airports are seen to be developing as a shopping centres utilised by the surrounding population, in addition to those passengers catching a plane, as Mark Fitzgibbon of Sock Shop noted:

> *At Gatwick South, the 'village', that is the nearest thing to a shopping centre for local people in an airport that I've ever witnessed, and we know ourselves, from our staff and our management that on a Saturday and Sunday at Gatwick South you will get families coming from Crawley and Brighton...and we know from our people and talking to the customers, that it is on the increase.* (Interview, 10/7/95)

It is therefore argued that the changes to the regulatory environment at national and local levels, as outlined in PPG6 and PPG13, have had a significant impact upon retailers' locational strategies. It is argued that these policy changes have led to decisions by certain retailers to locate in airports, railways, service stations and hospitals. In this way sites such as airports, railway stations, hospitals and service stations can be considered as locations in which a fourth wave of retail decentralisation is occurring. However, it is recognised that changes in planning policy are recent (1988, 1995 and 1996), and even though retail development in these locations has a relatively short history, a substantial amount of retailing existed in these locations prior to these planning guidelines restricting out-of-town growth. It would seem, therefore, that these planning policy guidelines represent a substantial driving force for contemporary and *future* retail development, rather than being key to what has already happened. To date, planning guidelines cannot be considered to have been the major driving force behind the retail developments already witnessed in airports, railway stations, hospitals and service stations. This line of argument was supported by the retailers in the interviews conducted for this research who considered the guidelines as an issue for their future development and not a factor in their choices of location thus far.

Information technology: the key to exploiting new places of consumption?

Whilst it seems that planning policy has not, thus far, been a major influence on retailers locating at airports, railway stations, hospitals and service stations, several authors have suggested that the increased prevalence of information technology within retailing has been one of the driving forces of change in the retail sector since the 1970s (Wrigley, 1988; Wrigley and Lowe, 1996; Hallsworth, 1992; Guy 1988, 1994; Pieroni, 1996). In this section I explore whether advances in technology and the increased prevalence of IT account for retailers choosing to locate in sites such as airports, railway stations, hospitals and service stations.

As IT has been deployed in ever more sophisticated ways within the retail sector, so it has altered the ways in which the industry works. The adoption of Just In Time (JIT) delivery, Electronic Point of Sale (EPoS) and Electronic Data Interchange (EDI) by UK retailers (particularly the major grocery retailers) has facilitated a significant reduction in the ratio of warehouse to sales space required by retailers (Lowe and Wrigley, 1996). Furthermore, the integrated management of sales, stock, and orders from suppliers has led to increased predictability of delivery and a shortening of delivery times, from 48 hours in the 1970s to 12 hours in the late 1990s (Wrigley, 1996; Hallsworth, 1992). The adoption of such technology by retailers would appear to offer distinct advantages to retailers wishing to locate in airports, railway stations, hospitals and service stations due to the logistic and spatial challenges of these sites. These characteristics were described by Sundeep Kakar[11] of WH Smith during interview:

> *Our market is far more like a supermarket and it requires constant replenishment. Being able to do that has a bearing on the size of the unit and quite often we have a unit of a size that is too small for that location, so it is a constant roll over and replenishment that allows us to be in the airports or railways.* (Interview, 8/8/95)

[11] Sundeep Kakar is finance and development manager at W H Smiths. His responsibilities include the development of both existing and new business in the airport and station retailing environments.

Reductions in requirements for stockroom space, allied to increasingly efficient replenishment systems would therefore appear to be prerequisites for retailers to locate in these logistically challenging locations. However, whilst retailers in these sites acknowledge that these are difficult trading locations which require efficient stock control to prevent "out of stock" notices, all but one of the company representatives interviewed argued that the technological advances proffered by EPoS, JIT and EDI were *not* influential in their decision to locate at such sites. Rather, they argued that technological advancements, particularly EPoS, have been more beneficial in the day-to-day management of the business, as William Chellingworth[12] of Burberry/Scotch House explained:

> *It helps the managers on the stocking side and it helps by allowing them to plan their day. They can plan their staff break periods, if they need to do administration work...and they roughly know when we are going to be busy and when they are going to be quiet.* (Interview, 26/7/95)

Such comments provide a critique of the argument presented by Wrigley and Lowe (1996) that "it was not so much day-to-day flexibility that these firms sought and prized from their JIT systems but control..." (p.13). Indeed, it was remarkable to find that a considerable number of the retailers studied for this research did not have EPoS in operation, further emphasising the fact that technology has not driven retail change, nor been a pre-requisite for those choosing to locate in such new and challenging places, as Steve Robinson[13] of John Menzies explained during interview:

> *Menzies as of now, this might sound crazy, but it hasn't got them [EPoS systems] in the sites that you're interested in. So we haven't got them in airports, we haven't got them in railways stations or hospitals...we're putting them in now because trying to run something like Gatwick without stock and sales information is bloody difficult. If you saw the operation that we run at Gatwick, and Smiths run in the same way, and Alpha [duty free] it's primitive, it is really really primitive. We've got manual stock sheets, figuring out how much you've sold, stock rooms that are miles away from the shop and people with trolleys moving stock across the sites, it's awful.* (Interview, 19/7/95)

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[12] William Chellingworth is Group Retail Director of the Burberry/Scotch House group.

[13] Steve Robinson is managing director of John Menzies retail and previously worked with Barry Gibson (group retail director of BAA) at Burtons.

The nature of the responses of the retailers interviewed for this research was unexpected, given the emphasis academics have placed upon the role of technological innovations in fuelling retail development (notably Wrigley, 1988a, Wrigley and Lowe 1996; Hallsworth, 1992). However, the discrepancies between such academic work and the evidence collected in this thesis may be accounted for by the fact that whilst such authors tend to discuss the retail sector at large, the majority of their data refers to the major grocery retailers.

IT has also had a major impact on the data collected by retailers, allowing them to focus on consumer preferences and purchasing behaviour. Indeed, it has been suggested that the most significant impact of IT in retailing has been in the possibilities it proffers to retailers to reach their chosen markets (Guy, 1988, Hallsworth, 1992). As Christopher Pieroni of Colliers Erdman Lewis explained:

> *There are two specific trends in the retail sector with regards to its use of IT. Firstly, in-store customer information. Retailers are collecting information about their customers' socio-economic class and what they want....The second advantage of IT is in product differentiation and competitive advantage. By knowing more about what the market want, IT enables retailers to differentiate themselves in terms of products, in terms of both type and range of product offered, and also where they offer those products.* (Interview, 12/11/96)

By knowing what customers want and where they are likely to consume such goods, IT can be seen to have a direct influence on retailers' locational strategies. IT, particularly through an analysis of geodemographics, can be seen to play an important role in companies choosing to locate in airports, railway stations, hospitals and service stations, where they see a market for their goods[14] .

One way in which the advent of new technology may truly affect the location of retailing is through the opportunities it presents for new ways of shopping, notably using the internet. An example of retailers using the internet is the Barclay Square "virtual-

[14] This issue is examined in greater depth later in this chapter (p.115-120) and in chapter 5.

mall", whose retailers include Sainsbury's, Victoria Wine, Argos and Toys R Us (Singleton, 1996). Such technology clearly opens up greater locational flexibility for retailing and shopping and schemes such as Barclay Square provide the possibility of shopping from any communications point, be it stationary or mobile (Pieroni, 1996). An example of this retail mobility can be seen in British Airways' recent approach to in-flight sales, whereby the passengers are offered an interactive, virtual, duty free store from the comfort of their airline seat, with the assurance that the goods will be available before the duty free trolley gets around to them. Retailers can thus offer a wider range of goods, without the space or weight penalties of normal in-flight operations literally anywhere in the world (Gurton, 1995). These changes to retailing could lead to a future in which retailers have more in common with distributors than retailers, as the transportation of goods becomes the key to retailing success (Pieroni, 1996).

Landlord strategies in airports, railway stations, hospitals and service stations: getting the mix right

To date issues of planning policy and technological changes in retailing, as discussed in the previous sections of this chapter, have only had a minor influence upon the decisions of retailers to locate in airports, railway stations, hospitals and service stations. But what does account for the attraction of these new retail places? Interviews conducted with retailers indicated that the landlords play a significant role in retail growth at these non traditional places and as was discussed in Chapter Three, the landlords have faced a number of political and economic pressures on their traditional core functions which have led them to develop their retailing roles.

Many of the retailers interviewed for this research highlighted the primary role played by the landlords in designating a retailer mix that would fit their site. This landlord involvement was described by Steve Woodbridge[15] of Hamleys during interview:

[15] Steve Woodbridge is operations manager of Hamleys the toy store.

> *When they set up the plans for these places [the landlords] designate the type of shop that they want and what type of retailer that is, because they are trying to have the right mix there that is going to maximise the take, which maximises their cut.* (Interview, 7/8/95)

Such a strategy typically resulted in landlords approaching the market (the retailers) to tender bids for units servicing a particular retail niche, be that ladies/gentlemen's fashion, flowers, books, or newsagents. The individual retailers were then invited to bid for those units, with the retailer best fitting the landlord's criteria being awarded the tenancy. However, several of the retailers interviewed argued that the role of the landlords was not restricted to just designating the retail type for particular sites, as Sundeep Kakar of WH Smith explained during interview:

> *Traditionally you would not have got the likes of Next or whatever going to the airports or other sites, or Blazer. These people would have never thought of it, but the airport companies have actually done some research and said right that's what our customers want and they have actually gone and approached these retailers.* (Interview, 8/8/95)

This view is complimented by Mark Fitzgibbon of Sock Shop who said that the airports initially approached his company with an attractive proposition to locate in their sites, and of BAA he said:

> *They have enticed many well know fashion retailers to have a go, I mean there's Selfridges as well as Harrods and you've basically got the best picked, almost like cherry picking retailers.* (Interview, 10/7/95)

The situation of the landlords approaching the retailers in the initial phase of retail growth is not restricted to the airports and the airport operators. Rather, in all the sites studied for this research (airports, railway stations, hospitals and service stations), the landlords had initially approached the retailers concerned. Mark Melvin, the retail co-ordinator of Texaco, explained that Texaco spent four years persuading Pizza Hut to open stores within Texaco's service stations. A major reason the landlords approached specialist retailers is the perception of quality they give to the customers, a perception not associated with generic stores. This image of quality is important to both the overall image of the site, but more significantly, it is important in generating consumer

confidence to shop in these sites [16]. This notion of changing perceptions was described by Mark Melvin of Texaco, when discussing the impact of Pizza Hut on their forecourts:

> *The whole perception [of the forecourt] has changed and that's because we really pushed into getting Pizza Hut, you wouldn't get that from a Texaco Pizza.* (Interview, 23/8/95)

This view is supported by the media officer of Harrods, Michael Cole, when he described the reasons for Harrods locating in airports such as Frankfurt, Hamburg and particularly Heathrow:

> *Well Barry Gibson's [group retail director of BAA] brief was to raise the profile of retail shopping in airports following the privatisation, from the old image of beer and fags. The way he went about this, and quite rightly, was to get Harrods in there, by doing this everyone else would follow...Gibson was right because lots of people have now followed Harrods, many of these companies would definitely have not gone into this if we had not.* (Interview, 7/7/95)

Whilst the validity of the final sentence of this statement is debatable, it is apparent that the presence of particular retailers at the airports, railway stations, hospitals and service stations is the result of the landlords of those locations targeting them specifically, a suggestion that is given credence by the retail development manager of BAA who said that:

> *Our original strategy was to try and entice some of the best high street names into the airport in the belief that others would take their lead and follow. The company that actually kicked off the specialist entity was Tie Rack, they were keen to get in as they saw it as an opportunity, whereas others needed persuading.* (Interview, 4/8/95)

From the interviews conducted with retailers and landlords, it appears that in the initial stages of the development of retailing in airports, railway stations, hospitals and service stations, the landlords approached the retailers to locate in those sites, often on favourable contracts (in the eyes of the retailers). As such, it is argued that initially at least, the landlords are responsible for luring retailing into their new locations, and that the retailers themselves are somewhat 'reluctant revolutionaries' in this regard (see

[16] The issues of branding, image, perceptions and the role of specialist branded retailers in generating consumer confidence are examined in detail in Chapter 6.

Brown, 1990). However, as the number of retailers in these sites has increased and the demand from retailers wishing to locate in them has grown (as the landlords hoped), so the balance of power in the relationship between landlords and retailers has swung firmly towards the landlords. The landlords, especially the airport operators, are now in the position of having more retailers wishing to locate in their sites than they have space to accommodate. This in turn has meant that the landlords have been able to raise rent levels and reduce the length of contracts on offer at their locations and it is clear from this research that retailer-landlord relationships are different from those relationships established in traditional high street locations.

Retail relations: towards a partnership approach

Retail relations have come under close scrutiny from several authors during the 1980s and 1990s. Much of this literature has noted a sea change in the relationship between manufacturers / suppliers and the retailers / buyers since the 1970s (see for example Gibbs, 1988; Gardner and Sheppard, 1989; Morris and Imrie, 1991; Crewe and Davenport, 1992). This sea change has come about as the organisation of the retail industry has shifted and capital and power has been concentrated in the hands of a small number of giant corporations. These large corporations have replaced many independent retailers which existed in the food and clothing retail sectors prior to the 1970s (Crewe and Davenport, 1992; Gardiner and Sheppard, 1989; Wrigley, 1988; Bowlby et al, 1992). Many of these authors have noted a shift in the balance of power away from the manufacturers towards the retailers, to the extent that the retailers have come to dictate their requirements in terms of cost, quality, design and delivery times for goods to the manufacturers/suppliers (Crewe and Davenport, 1992; Bowlby et al, 1992). In this section I wish to examine the relationships between retailers and landlords at airports, railway stations, hospitals and service stations, in order to firstly, establish whether this relationship is an important factor in the growth of retailing in these locations and secondly, to question whether such relations signal the future for retailer-landlord relations in more traditional retail locations.

The retailers interviewed for this research highlighted the differences in their relationships with landlords at these new sites of consumption when compared to those at traditional high street and retail parks. Traditional high street and retail park relations are predominantly based upon standard 'institutional lease' terms, characterised by 25-year leases with upward only rent reviews every five years (Guy, 1994, 1998; Saunders, 1995). Furthermore, traditional retailer landlord relations in locations such as shopping malls are often conducted via investment managers for the 'institutional' landlords, who are based in London (Freedman, 1998). This arms length approach is in stark contrast to the situation at the sites considered in this thesis, where the relationship between landlords and retailers is much closer and the rental arrangements are invariably turnover agreements[17], as Simon Hawkes of Burtons explained during interview:

> *It is a more collaborative set up because it's in their interest for you to do well...If you could put the high street on the same footing as say the airports, a percentage of turnover rather than fixed rents, then it would put something back into the high street performances. But the landlords on the high street are property management, not retail and so don't care what happens as long as they get their rent.* (Interview, 31/8/95)

The primary benefits for the retailers, and the reason why they prefer turnover rents, is the way that the risk is spread between the landlord and retailer. Retailers prefer turnover rents because in periods of poor sales their rent is reduced in line with turnover, rather than becoming a disproportionate fixed cost on the business, as would happen in a fixed rent agreement, typical of the high street. Such turnover arrangements suggest that relationships between landlords and retailers are moving towards a two-way partnership for the greater benefit of both parties. This two-way approach was highlighted by Ian Cheshire of Sears[18], who described the relationship with the airport authorities as:

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[17] The turnover rents employed by the landlords of the sites studied in this thesis are typically characterised by a minimum guaranteed income above which the landlord receives a percentage of the retailer's income. This contrasts with the fixed term agreement, in which the rent is a fixed amount per month regardless of income.

[18] Ian Cheshire is group strategy director of the Sears group as well as being the Chairman of Thomas Pink.

> *Nothing like a traditional landlord, they are much more like a commercial partner...They are much more aware of retail and the way retail works because of their turnover and participation, compared to saying we are an institutional landlord and taking a fixed rent.* (Interview, 8/9/95)

The development of partnership approaches between retailers and landlords was also emphasised during interview with July Speck, the commercial manager of Addenbrooke's Hospital, Cambridge. She described her role as a landlord as being very pro-active, stating:

> *On the control of the units, every week they give me their figures, so I can monitor their takings...I can compare that with last week or last year and look at the various different levels of turnover. I am also involved in the marketing of the shops, so if one of the shops isn't doing particularly well we sit down to discuss what can be done to improve it, can we do promotions.* (Interview, 2/8/95)

Such an example does not suggest that the relationship between retailer and landlord is one way. Indeed, the landlords of these sites undertake much of the advertising for retailing at these sites (see Figures 4.1 and 4.2), with BAA undertaking a £2m campaign in UK magazines (Retail Week, 23/5/97).

Figure 4.1 Retail advertisement by Railtrack

Source: Railtrack Station Guide

Figure 4.2 Retail advertisement by BAA

This partnership approach to advertising presents these non-traditional locations in an integrated and assertive manner to consumers[19]. Furthermore, the landlords undertake considerable programmes of market research and customer analysis, which they make available to their retail partners. This helps the retailers in the partnership make decisions on which product lines to stock, a role acknowledged by Ian Cheshire of Sears:

> *They are very helpful in that they provide figures on the people and the types of people walking through the door. You know who it is, where they are going. That is a big help and it is what you know from the demographics and*

[19] A similar approach to common advertising/marketing is noted by Guy (1998) when discussing retail park developments.

> *what you can do with the data base that you produce that is a big help.* (Interview, 8/9/95)

Some landlords appear to be taking the notion of partnership with the retailers further still by entering into management deals with the retailers, whereby the management and profits are shared evenly between the two partners. This process is particularly developed at the airports, as described by Richard Jones of Allders[20]:

> *The management contract that BAA has pushed through with ourselves and Alpha is very innovative...the benefit of moving to a management contract is that it breaks down the them and us syndrome and actually puts you on a common footing.* (Interview, 16/8/95)

Such relationships between the landlords and the retailers appear to have similarities with the changes witnessed between buyers and suppliers noted at the beginning of this section. In the retailer-supplier relationship, the retailers were seen to be dictating their requirements in terms of cost, quality, design and delivery times for goods (Crewe and Davenport, 1992; Bowlby et al, 1992). In these new retail locations, it would appear that the landlords take on a role similar to that of the retailer, demanding a certain product mix, quality, style of store and length of opening. The retailers in airports, railway stations, hospitals and service stations are therefore in the less powerful position as suppliers, providing the landlords with the retail 'product', the shop that they desire. But here, as in retailer-supplier relations more generally, a notion of partnership and favoured partners arises (see for example Crewe and Davenport, 1992). Such retailer-landlord relations in these sites demonstrate how politics and power play an important function in shaping the retail landscape, as has been argued in relation to retailer-supplier relations.

The retailer-landlord partnership is furthered by the lack of competition which exists between retailers of the same product category in most airports, railway stations, hospitals and service stations. This lack of competition has been attributed to the

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[20] Richard Jones is marketing manager of Allders Duty Free.

comparative lack of space that such sites offer for comparison shopping, but it is also a deliberate strategy of the landlords, as Steve Hodgetts of Birmingham International Airport stated:

> *There's less competition, we don't believe in attrition, we believe in satisfying every one of our segments that our customers are asking for with a chosen partner and they will then be the only partner working directly in that niche.* (Interview, 13/12/96)

Understandably, retailers view this lack of direct competition as a distinct benefit of retailing in these locations, as William Chellingworth of Burberry/Scotch House argued:

> *In a terminal they don't tend to have the space necessary to have lots of nice little product ranges grouped. So you won't have three shoe shops in a row. In that sense the game is fairly well weighted in favour of the retailer because there aren't several places you can buy an item and what you are going to get is far more time out of the customer than you would if they were normally shopping.* (Interview, 26/7/95)

Moreover, these developments are not particular to the airports and these relationships are currently most apparent in the service stations, where there is usually only space for a single retailer. Such restriction on the retail floorspace in the forecourts has resulted in a series of high profile corporate partnerships being forged between oil companies (the landlords) and grocery retailers as outlined in Chapter Three (see Table 3.2).

The changes to the retailer-landlord relationship outlined above offer a radically different approach to retailing in the UK. However, it is argued that the partnership approach pioneered in these locations may become more commonplace in the future, as the 'institutional' landlords of malls recognise the benefits of this partnership and turnover rent approach. Indeed, it is argued that one of the most interesting facets of Cribbs Causeway, the new mall opened outside Bristol, is Prudential's[21] decision to implement a policy of 100 per cent turnover based rents (Freedman, 1998). Graham Maskell the Prudential portfolio development director argues that Prudential have discarded their former policy of 25 year leases in favour of a policy of actively managing

[21] Prudential is the institutional landlord, owning approximately £300m of the £400m development.

the shopping centre. In a similar vein to the landlords, such as BAA, Railtrack and the NHS trusts, studied here, Maskell believes that turnover based rents develop trust and a relationship, where their is a mutual aim to improve retailer performance. A further benefit of this approach is argued to be the optimisation of retail tenant mix (Freedman, 1998).

Despite the apparent benefits of operating in these locations, and the improved retailer-landlord relations they appear to proffer when compared to traditional locations, some retailers feel that the balance of power in the relationship is weighted heavily in favour of the landlords. This is a subject that I will explore later in this chapter, when examining the potential pitfalls of retailing in these locations.

Peer pressure driving competition

Whilst the landlords have played a significant role in the decision of the retailers to locate in airports, railway stations, hospitals and service stations, they cannot be considered to be the single driving force behind retailers wishing to locate in these sites. Indeed, during the interviews conducted for this research it became apparent that these sites encapsulate the wider competitive forces witnessed in the retail industry. Further to this, as a function of their geographical location, these sites represent unique retailing environments and opportunities to the retailers which separate them from the traditional retail locations. It is to these competitive and geographical issues that I now turn.

As retailing has become increasingly widespread and established at airports, railway stations, hospitals and service stations, so the presence of the initial retailers, such as Tie Rack and Harrods, have prompted their peers to consider these sites as potential locations for development. This view that a retailer's peers can influence their location strategy is supported by Ian Cheshire of Sears who suggested:

> *There are few places that you can do satellite operations and we had seen the success with that of Harrods, who have done pretty well, and we had a reason to believe it was possible to have a luxury spin-off at the*

> *airport...Once BAA started to get the right retailer mix then everybody wanted to go into it .* (Interview, 8/9/95)

This opinion was complemented by Richard Jones of Allders, who considered the retailers' choice of such locations:

> *It's a situation where if one retailer goes in others will follow...getting retailers like Dixons [into the airports] that's clearly good for them because as you get one competitor going in, then clearly their direct competitors are thinking a lot more about it.* (Interview, 16/8/95)

Evidence of retailers following their peers into new retail environments can be seen when considering the growth of retailers at service stations (see Chapter 3, table 3.2 in particular). However, as more retailers follow each other into the same new retail environments, demand for floorspace increases in these locations, raising the prices paid for a site. This increased demand was recently illustrated when 110 retailers applied for only 14 outlets at Heathrow's redesigned Terminal One. Over time, the pioneering retailers, such as Tie Rack, have thus seen their operating conditions become less favourable, leading Roy Bishko to state that "Sock Shop followed us like Little Bo Peep and Knickerbox followed them" (Quoted in Davies, G, 1996).

Airports, railway stations, hospitals and service stations, opportunities for exposure and expansion

In addition to the competitive forces prompting new developments in retail, many retailers consider airports, railway stations, hospitals and service stations to present them with unique opportunities that are not available on the high street. One way in which the geographical location of these sites benefits the retailers is the potential they provide for presenting their brand to a wider audience. Simon Hawkes, the retail planning director for the Burtons group, explained this benefit when interviewed about the group's activities at airports:

> *This establishes our brand to millions of people...They are not massively important to our national scheme but they do promote our image.* (Interview, 31/8/95)

This belief that such sites promote a retailer's brand image more widely than the traditional locations is supported by Sundeep Kakar of WH Smith who argued that their stores in stations and airports provide the company with both a national and international presence. Many retailers see such sites as providing a useful medium for advertising their stores. Michael Cole of Harrods described their airport stores as an international calling card that attracts people to the 'real thing' in Knightsbridge.

The extent to which the retailers pursue these locations for their advertising potential was, however, put into perspective during an interview with Ian Cheshire of the Sears Group, when he stated that:

> *There is definitely an element of brand projection, but what you wouldn't do is say "I'll pay for that". It has to be a stand alone retail concept as well.* (Interview, 8/9/95)

This sentiment was supported forcefully in an interview with Steve Robinson, director of John Menzies, when he said:

> *My predecessor believed that the airports and stations were important...and almost the promotional edge was as important as the trading edge. I don't believe that to be the case because there's not the numbers of people to go through to see it...Think of the Harrods case, everyone in the world knows Harrods, they don't need to open in Terminal 3 [Heathrow] to signpost that, not at all.* (Interview, 19/7/95)

Despite this ambiguity towards the value of such sites for advertising, airports, railway stations, hospitals and service stations do appear to provide unique opportunities in terms of the national and international expansion of retailers. Keith Saunders, the group property director of W H Smith believes that "station retailing provides a good opportunity for a company which does not currently have a national presence to become more widely known" (Saunders, 1995, 5). This is a virtue not restricted to the railway stations. Mark Melvin of Texaco pointed out that Burger King initially used its franchised operations at railways, service stations and motor way service areas to expand their network and brand within the UK. Hospitals have also become important to the national expansion program of Burger King and Uppercrust, part of the Bateman Catering/Compass Group. They have continued to expand their operations in UK

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hospitals, with a recent announcement that Burger King and Uppercrust will operate at Southampton General and Mayday University Hospital, Croydon (d'Arcy, 1997; Bateman, 1997). These add to the existing stores in Leeds General Infirmary, Lewisham Hospital and Addenbrooke's Hospital, Cambridge.

Airports are also viewed as a unique opportunity by retailers for overseas expansion. Keith Saunders, group property director of WH Smith, believes that "airport retailing is a practical medium for a company wishing to become well known internationally" (Saunders, 1995, 5). This belief that airports represent an opportunity for international 'advertising' is supported by many of the retailers interviewed. The international nature of airports and the way in which they act as international gateways, means that they provide a geographically unique opportunity to project a retailers' brand overseas, as Ian Cheshire of Sears suggested:

> *[At airports] there is an international blend of travellers which means that in terms of projecting the brand image overseas this is a tremendous gateway for that, there's no doubt about it.* (Interview, 8/9/95)

Supporting this perspective, Richard Jones of Allders also highlighted the geographical marketing opportunities of the airports:

> *If you are a relatively unknown brand outside of the UK and you have ambitions to expand overseas, then locating at Gatwick or Heathrow would be a prime opportunity to expose your brand to a world-wide audience.* (Interview, 16/8/95)

Other retailers go further still and suggest that as well as brand projection, airports might serve as the stepping stones for a fuller international expansion, as William Chellingworth of Burberry/Scotch House explained:

> *Looking at the UK, I don't think that we will be looking to open in any other UK airports at the moment...However, because they are so successful we do see it now as perhaps an ideal way of taking Scotch House overseas [Burberrys is already an international brand].* (Interview, 26/7/95)

UK. retailers wishing to expand overseas using airports as a stepping stone may be at an advantage as BAA have been expanding their airport operations overseas in recent years. In 1991, BAA secured the contract to manage the retailing at Pittsburgh International and

in 1995 BAA won the contract to manage Indianapolis Airport. As BAA sought to expand and strengthen the retail operations within these airports they have taken several of their partners at UK. Airports with them, including Tie Rack, The Body Shop, The Sunglass Hut, TGI Friday. Waterstone's and WH Smith, extending the notion of landlord-retailer partnership further still. This partnership approach has equally been used in reverse by the US leather chain Wilson's who intend to move on to the UK high street following their successful airport venture at Gatwick Airport, a move again tied to their partnership with BAA at Pittsburgh airport in the US (Morgan, 1995a). Indeed, it is only by way of expanding with an existing partner that Simon Hawkes, Burtons retail planning director, considered using airports as a means of international expansion, as he noted during interview:

> *We wouldn't use airports as a means of entry into another country. The only time we would do that is if we were to expand with BAA as partners and then we would use the airports that way.* (Interview, 31/8/95)

Other retailers appear less conservative, with Hamley's Chairman stating that airport retailing is a advantageous route to internationalisation (Retail Week, 12/7/96). Similarly, Warehouse, the Sears owned fashion chain, stated that they would use their first airport outlet at Gatwick's South Terminal as a test bed for international expansion. Warehouse retail operation director, Alex Rayner, said "It's a good gateway to Europe - a stepping stone before we go overseas" (Quoted in Morgan, 1995b).

Fitting a niche and following demand

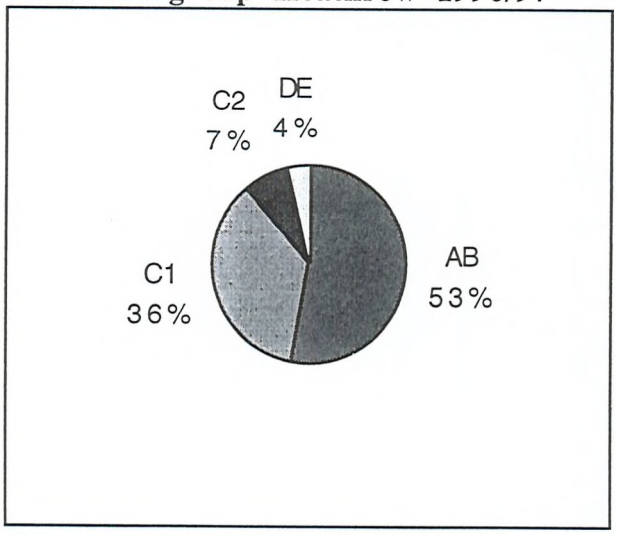
Airports, railway stations, hospitals and service stations exhibit a further geographical advantage which exerts a pull on retailers to locate in them. The presence of an audience of potential consumers, whose profiles match the products of the retailers, at these locations, is probably the most crucial aspect in attracting the retailers to these sites. Without consumers there would be no consumption and therefore these locations, no matter what their other benefits to the retailers discussed in earlier sections of this chapter, would not be successful shopping places. Thus, one of the major factors driving retail

growth in airports, railway stations, hospitals and service stations is the recognition that a market exists in these locations. This was expressed by Michael Cole of Harrods, who stated during interview that Harrods had decided to expand their operations into airports because:

> *These are first class locations where there was an existing customer base of the right sort of people for our products.* (Interview, 7/7/95)

Harrods chose these locations because airports are typically frequented by the upper echelons of the society, as seen by examining the socio-economic class background of passengers visiting Heathrow airport illustrated in Figure 4.3. This graph illustrates that 53% of passengers are in professional/managerial and skilled professions. Harrods considered these sites to be good locations to expand because it is typically this higher socio-economic group who make up their customer base[22].

Figure 4.3 Socio-economic group Heathrow 1996/97



Key: AB Professional managerial, C1 Skilled occupations, C2 Semi-skilled and unskilled, DE Other.

Source: BAA retail report (1997)

[22] Harrods also announced that it is to take two stores in Gatwick Airport, North and South. Presumably these stores will target the affluent business travellers (North terminal) as well as holiday makers (South terminal).

However, the consumer profile is not limited to the high end of the market and indeed, in airports, the mix of retailers, from Selfridges and Thomas Pink, to Sock Shop and Dorothy Perkins, demonstrates that a variety of retailers and customer profiles exist in various airports and different terminals of those airports. Marks and Spencers is in negotiations with BAA to open airport stores, as air passengers are considered a good match for M&S's target customer, middle-aged and middle-class (Retail Week, 27/2/98). This retailer-consumer fit continues if we examine WH Smith, who consider that their product range is ideally suited to the travelling public present in airports and railway stations. Similarly, John Menzies demonstrate that the retailers are following demand by siting in locations such as hospitals where the workers and patients represent a market for the products sold by John Menzies. The retailers are realising that a customer base already exists in these locations and it is a matter of servicing that demand, as Sundeep Kakar of WH Smith stated:

> *You have got to go to the customer and that is why we are so successful in airports and stations because that is where the customers are. It is now not a question of do we want to do that, it is a question of the people are going that way, why aren't we there?* (Interview, 8/8/95)

This attitude of the retailers responding to opportunities and demand is acknowledged by William Chellingworth of Burberry/Scotch House, when he said that:

> *Your company has to be flexible, so that whenever an opportunity such as airport retailing arises you must take it because that's what the market demands. Companies are becoming more flexible and more willing to adapt or to move into opportunities like this. I think if you don't think in those terms then you are going to die eventually. You've got to be aware of what's happening in the market and you have got to be able to adapt to that market.* (Interview, 26/7/95)

The realisation that a consumer demand for retailing exists in airports, railways, hospitals and service stations had led to a change in retailers' attitudes towards these locations. By recognising that this is where a market exists, retailers are responding to customer demand, as Sundeep Kakar of WH Smith states:

> *I think it is about being where the public is...and I think that is what it's about, knowing the places to be, and fitting those niches. It's also having to be different, not having any hang ups on what a traditional WH Smith should be, you know having the flexibility of saying we will stock ranges outside of that and capitalising on the market.* (Interview, 8/8/95)

WH Smith are obviously developing a serious approach to the use of these locations, as they recently created the role of managing director of UK travel retailing (Oppenheim, 1997). This arm of WH Smith is tailoring itself to the market, with specific store designs for both airports and railway stations, where each location will be treated differently. WH Smith currently have 100 shops in these locations with a turnover of £120m, and their aim is to become serious anchor tenants, rather than just ordinary CTN (confectionery, tobacco and news) retailers (Clements, 1997d).

For particular retailers the fit of customers at sites such as airports, railway stations, hospitals and service stations with their products is such that they form a significant portion of their businesses and have a significant pull when these retailers consider new store openings and expansion. As an example, from a total of 390 outlets, Tie Rack currently has 84 shops at airports and a further 31 in railway stations, almost a third of their stores. Similarly Sock Shop has 12% of its stores at airports, accounting for roughly 20% of their income, and has recently taken this route of taking the stores to the customers with the opening of Sock Shop in Granada's Birmingham North service station, with the potential for 40 more 'service station format' stores in the future (Retail Week, 21/3/97).

An excellent example of how a traditional high street retailer is taking these new locations seriously and attempting to match consumer demand with store location is Boots the Chemist. Martin Bryant, Director of Boots, argues that travel retail shops make a great deal of sense, and Boots plan to expand their standing in this area. Airport stores will expand from the current 17 outlets and railway stores will grow across the regions (Clements, 1997c). Furthermore, Boots have announced plans for more novel locations, including cross-channel ferries and motor way service stations, adding to their first foray into hospital stores, at Southampton General (Retail Week, 25/597, 2/5/97, 15/8/97). These locations are argued to offer a natural extension for Boots, allowing them to take a

particularly tailored format to consumers currently not being catered for, and particularly in selling 'distressed purchases' to business and leisure travellers.

All of the retailers interviewed for this research agreed that once there is a 'critical mass' of consumers at these sites then retailing becomes sustainable, although the size of that critical mass varies from location to location[23]. Louise Herbert, retail development manager of BAA, argued that as long as there were four million travellers passing through the airports a year they could maintain a "substantial retail offer". For other sites, such as the hospitals, railway stations and service stations and even the smaller airports, such as BAA's own Southampton airport, such large numbers are not necessary because the size of the retail offer in those locations is typically much smaller. It is a case of matching the retail offer to the customer demand as Steve Woodbridge, of Hamleys, suggested during interview:

> *Wherever there is a decent customer flow there is a retail market, it's just a case of tailoring the offer to the flow in terms of size and actual products.* (Interview, 7/8/95)

The argument presented in this section, that retail growth in these sites is directly tied to demand in these sites, is furthered by the responses given by the retailers when describing the future of retailing. Many of the retailers believe that the growth of retailing in airports, railway stations and service stations was due to increased travelling, and that growth in travel was the key to future growth. Through this 'organic' growth of travelling and the consequent growth of retailing in these locations, Richard Jones of Allders suggested that the overall importance of these locations to the retail industry will increase in future. Whilst Sundeep Kakar of WH Smith argued that:

> *Development of our business is in line with the potential growth in passenger numbers...the opportunities for growth are in these sorts of locations*

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[23] The success of retailing in airports, railway stations, hospitals and service stations presented here does not preclude the possibility of certain retailers failing in these locations. Selfridges, closed it's two Heathrow stores to concentrate on its core department store business after the stores were reported to have been trading poorly (Clements, 1997a). Furthermore, it is argued that Hamleys has found difficulty transferring it's theatrical store atmosphere to its airports stores and Euro-tunnel terminal store, prompting the suggestion that it should re-examine its pricing policy (Clements, 1997b).

> *[airports and stations]. Whereas we are not seeing any growth on the high street and it is not uncommon for other retailers to express the same thing.* (Interview, 8/8/95)

The fact that a large market exists at these locations has only been acknowledged by the retailers in the last 10-15 years (see Chapter 3). Whilst there have been large numbers of people using these locations ever since they were built, retailing on a significant scale has been hampered by the retailers' lack of vision in recognising that these people represented a retail opportunity. As Mr Patel of Boots suggests:

> *I think there were always latent demands and subconsciously people have always had a need for things in these sites. It was just a case of prompting them to make them buy them and facilitating that latent need. Life for people has changed and there are some pressures that were not there in the same way before and this has had an effect on people's shopping practices. The station stores offer them another option, that is, to shop whilst they travel to, during, or from work and still spend time with the family at the weekend...It is part of this shift to doing more shopping while you are working.* (Interview, 21/7/95)

Or, as Mark Melvin of Texaco put it:

> *I think there was a demand there, it was just that the customer didn't know how to express it.* (interview, 23/8/95)

For the hospitals, the scale of this latent demand is judged by Tim Cronin of Southampton Central:

> *I think we became conscious over time that you've got a hospital, very much like a small town, something like 5,000 people here and on a daily basis something like 9,000 people on this site...people [in the hospital] have got a requirement for the same things that you would normally have in a small high street.* (Interview, 11/8/95)

Realisation that the customers/users of airports, railway stations, hospitals and service stations wanted more came during the 1980s and the growth of facilities, especially retailing, has grown apace since then. This represents a period when the retailers recognised that the users of these sites were wanting to make better use of their time whilst passing through, or working there, and consequently, the retailers realised

that there was an opportunity to tap the latent demand of an increasingly mobile society for retailing at these locations[24].

Retailing on the move, but the 'new home' is not a perfect place.

The material presented in the previous sections of this chapter suggests that airports, railway stations, hospitals and service stations are in many ways superior to traditional high street locations in terms of what they offer for retail. Whilst these sites offer retailers very good opportunities, I now demonstrate that some aspects of these environments do not meet with the demands of the retailers. Indeed, I shall demonstrate that several of the retailers interviewed for this research do not consider airports, railway stations, hospitals and service stations to represent a real opportunity for the future of retailing in the UK.

Despite the benefits these locations provide for the retailers, as noted above, retailers do not view these locations as providing perfect retailing conditions. Consequently, not all retailer-landlord relations are cordial, as one group retail director stated when discussing BAA in particular:

> *I think they are becoming more forceful. I've had to slap one or two of their employees down recently because I think they overstepped the mark in trying to tell us how to run our business, and I think they are getting more greedy...they keep pushing the prices up all the time, expecting more and more of their partners and I don't think they are as easy to deal with or as nice to deal with as they were five years ago.* (Interview, 26/7/95)

It must be noted, however, that other retailers believe the opposite to be true and that the landlords, such as BAA, are becoming less confrontational in their dealings with the retailers. Whatever the case, it is evident that the balance of power in relationships between landlords and retailers lies predominantly with the landlord and this is a bone of contention with the majority of retailers. This feeling may well stem from the fact that in traditional retail locations the retailer-landlord relations are less visible.

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[24] Issues of social and cultural change in the UK that underpin retail growth in airports, railway stations, hospitals and service stations are examined in Chapter 5.

Other problems noted by the retailers in these locations included the requirement that they operate extended opening hours, 18 hours a day, 7 days a week, 365 days a year (Miller, 1995). Whilst this might initially appear to represent a further retail advantage at these locations, many retailers noted that it actually results in additional overheads which must be recouped through the tills. In some ways this is similar to the situation of Sunday trading whereby retailers face additional costs in opening but not necessarily any additional income (Jolly, 1995). However, whilst the high street may suffer from the cannibalisation of their weekly income, dividing the existing takings from six days into seven days trading, the sites considered in this thesis do benefit from additional income. In these locations, extending trading hours result in extended exposure to new consumers arriving for flights late at night or early in the morning. Whether the additional income justifies the extra costs is an equation that varies from retailer to retailer and site to site (Eve, 1995; Chesterton, 1993).

Many of the retailers noted that one of the major issues leading to discord with the landlords at airports, railway stations, hospitals and service stations was that the security of tenure is not the same as it is on the high street, with much shorter leases[25]. The retailers argued that this adds insecurity, even when certain retailers in these sites have a long history of activity there. The final obstacle to the perfect retailer-landlord relations at these sites is ironically one of the reasons expressed by the retailers for favouring the sites over the high street, namely the turnover rents. Many of the retailers noted that it is the very same turnover rent agreements that whilst providing security to the retailers during the lean spells, erode the net profitability of stores during productive periods.

[25] It should be noted that the situation relating to length of tenure appears to be most severe in the airports and particularly in certain airport operators such as BAA. Other operators and sites provide both longer term contracts or rolling contracts (Saunders, 1995).

Conclusion

Whilst this chapter has suggested that the retailers consider the airports, railway stations, hospitals and service stations to represent a viable and profitable direction for future development, especially in the light of government planning restrictions on out-of-town developments, the very positive views need to be tempered. Whilst PPG6 and PPG13 mean that retailers are increasingly considering sites such as airports, railway stations, service stations and hospitals as potential retail locations, it is very unlikely to result in the development of retailing at all such sites, as Steve Robinson, the Managing Director of John Menzies noted during interview:

> *I don't see it as being a major opportunity for the retailers to grow. Most stations and hospitals are in the wrong place, most of them are not prime patches and I think that holds them back as potential retail sites.* (Interview, 19/7/95)

The view that such sites do not represent the future of retailing was also echoed by Mark Fitzgibbon of Sock Shop when discussing the airports:

> *I think one has got to be very sceptical with airport retailing trying to create a shopping centre as a destination for people other than travellers. I am sceptical as to whether that will ever be successful, truly successful. I don't believe they will ever replace the high street or even the regional shopping centres, they don't have a chance of that.* (Interview, 10/7/95)

Despite these misgivings on the part of some retailers, however, the majority have positive views about the role these places will play in the future. Furthermore, many of them argued that they would like to see the type of retailer-landlord relations exhibited in these sites transferred to the high street. They argue that this form of partnership approach would invigorate these more traditional retail locations, as Simon Hawkes of Burtons stated during interview:

> *If you could put the high street on the same footing as the airports, i.e. a percentage of turnover, rather than fixed rents, then it would put something back into the high street performance.* (Interview, 31/8/95)

This form of arrangement may well form the basis of future high street contracts as turnover rents become increasingly popular in the eyes of the retailers and therefore

negotiated into contracts. As such, the approach witnessed in the airports, railway stations, hospitals and service stations may point to the future of the whole retail industry in the UK. Furthermore, such retailer-landlord (power) relations demonstrate that issues of power and politics in the retail landscape are more complex and diverse than the recent focus on retailer-supplier relations in academic debate suggests.

In this chapter I have presented the argument that the primary driving force behind the retailers developing in airports, railway stations, hospitals and service stations has been the landlords. Without their desire for alternative profit centres (see Chapter Three), the landlords would have been less likely to consider retailing as an area to develop. Without this driving influence of the landlords, it is argued that the retailers would have been less likely to consider airports, railway stations, hospitals and service stations as potential sites for retail development on the scale they have. Thus, in the initial stages of retail development in these sites the landlords can be seen to play the crucial driving role.

In turn, the retailers, following some initial persuasion on the part of the landlords have come to recognise that a ready made market exists in these locations, presenting them with an opportunity to expand their operations. Furthermore, the retailers recognise many geographical and operational advantages at these sites when compared to traditional retail locations. From the retailers' perspective, airports, railway stations, hospitals and service station present five key opportunities:

- A partnership approach, with associated turnover based rents.
- The presence of a 'captive' market.
- The relative lack of competition in the sites.
- The possibilities for national and international brand projection.
- The possibilities for national and international expansion.

Even without the initial pull exerted by the landlords, the retailers may thus have considered airports, railway stations, hospitals and service stations as a significant opportunity and developed their activities there.

The growth of retailing in these locations has depended on both landlords and retailers seizing an opportunity highlighting the notion that the growth of retailing in airports, railway stations, hospitals and service stations depends upon a complicated and necessary relationship between the landlords, retailers and consumers. One which, as was argued in Chapter One, conforms to Marx's (1973) argument that a complex and necessary relationship exists between production and consumption. In Chapters Three and Four I have described the influences driving the landlords and retailers to partake in this necessary relationship. An examination of the changes in society that have led to changing consumer demand in terms of product differentiation, retail location and the times at which consumers choose to shop and the effect these changes are having on the retail environment is the subject of the next chapter.

Chapter Five
Transumers: Acknowledging Consumers and Consumption in the Retail Landscape

Introduction

The political and economic factors outlined in Chapters Three and Four provide an understanding of why retailers and landlords have developed retailing in airports, railway stations, hospitals and service stations. However, retail change and the growth of retailing in airports, railway stations, hospitals and service stations has occurred in the context of wide ranging socio-economic and cultural changes, which can be considered to create a demand 'pull'. This chapter discusses the nature of these socio-economic and cultural changes and argues that they have had a significant impact upon retail change in the UK and particularly upon the growth of retailing in airports, railway stations, hospitals and service stations.

To examine the growth of retailing in airports, railway stations, hospitals and service stations from the perspective of the retailers and landlords alone fails to take account of the role played by consumers in the spatial reconfiguration of retailing. Chapter One argued that it is impossible to fully account for the development of retailing without considering the changing nature of consumers and consumption at the same time (see Jackson, 1995; Jackson and Thrift 1995; Crewe and Forster, 1993; Fine, 1995). Indeed, it was argued that Marx's claim that a complex and necessary relationship exists between production and consumption is as valid today as it was when first presented in Grundrisse in 1857/8. In examining the role played by demand, this chapter will concentrate on the changing nature of the consumer, consumer agglomerations and the demand for retailing in particular places (spatial demand) and at particular times (temporal

demand). In so doing, the chapter will identify a series of socio-economic and cultural changes that have led to new spatial and temporal demands for retailing.

An understanding of consumers and the changing nature of consumers in 'post-industrial' Britain is crucial in order to understand their role in the wider retail restructuring and change presented in Chapters Three and Four. Britain has witnessed a feminisation of the workforce, a decline of the traditional male manual workforce, an increase in flexible and part time labour and a shift towards a twenty four hour society. Such changes are truly significant in reshaping processes of consumption as they have resulted in "...greater fragmentation and pluralism, the weakening of older collective solidarities and block identities and the emergence of new identities associated with greater work flexibility and the maximisation of personal choice through personal consumption" (Gardiner and Sheppard, 1989: 45). Such dynamic changes in consumers and consumption patterns are also recognised by the retail industry to be a key feature in the changing retail landscape as John Harrison[1] argued during interview:

> *Well the philosophy of our business, which comes through experience, is that all retail propositions, unless the consumer is the driver ...are short lived. You may find that they are successful for a short time but unless you are in tune with the end consumer you won't get very far. Particularly as the consumers of the 80s and 90s have changed massively...All the changes that we are experiencing are the result of retailers recognising the changes in consumers.* (Interview, 18/11/96)

This recognition of the changing consumer as a driving force behind retail development is equally well recognised by the retailers and landlords as the retail marketing manager of Shell UK., Mike Harle, demonstrated in a recent report:

> Our customers' working hours are changing. There's more part-time or shift working, and people working flexible hours. There are more single people buying less, but shopping outside of working hours. Our business as retailers is to offer what these customers now want in the most profitable way (Shell UK, 1997b: 1).

[1] John Harrison is a director of Fitch, the international design and business consultancy. He is a specialist in consumer behaviour and retail strategy within travel shopping environments.

Whilst some authors have acknowledged the contextual role played by changing patterns of consumption in retail restructuring, attention has been concentrated on the traditional high street or the new out-of-town centres, such as superstores, retail warehouses, retail parks, sub regional shopping centres and regional shopping centres (see for example Bromley and Thomas, 1993). This chapter re-examines many of these changes in the socio-economic/cultural context in the light of the growth of retailing in airports, railway stations, hospitals and service stations and aims to elaborate on the reasons why consumers have been actively willing to consume in these new places. The explanation focuses on three main changes. First, I examine how society is increasingly on the move, both in terms of population shifts, but also in terms of when people are consuming. Second, I examine how the UK is becoming a 24-hour society, with greater demands for convenient provision of retailing, both in terms of location and time. And finally, I examine the time pressures experienced in modern society and how these pressures from work and home have placed an emphasis on combining activities such as travelling and consuming. In so doing, this chapter will demonstrate that retail growth in these sites is fundamentally linked to the growth of new consumer agglomerations, with new demands for the spatial and temporal provision of retailing.

Society on the move

Retail restructuring: a response to a shifting market

Since the 1970s the retail landscape has undergone some dramatic changes. Large numbers of independent retailers have disappeared, been taken over, expanded or altered; new chains have developed and older chains have diversified their operations into a number of smaller specialist functions. The high street of today looks vastly different from that of thirty years ago. However, it is not only the high street that has changed, rather, there has been a wider re-spatialisation of the retail industry. As noted in earlier chapters, possibly the most significant impact upon the retail landscape has been the development of out-of-town and edge of town retailing. Today, edge-of-town and out-of-

town retail parks with single floors and plentiful parking facilities are ubiquitous. However, even these developments do not represent the limits of change in the retail landscape, and there are further developments in convenience and availability. The late 1990s have witnessed a strong shift towards providing 24 hour retail services aimed at customer convenience. Developments include telephone banking, such as First Direct, convenience shopping, such as Alldays stores, and the recent development of supermarkets being open 24 hours a day. Furthermore, there has been a drive by the supermarkets, in particular, to provide more opportunity for one-stop shopping. This is evident by the grouping of diverse goods such as petrol, music, pharmaceuticals, shoe repairs, dry cleaning outlets and photo processing, within supermarkets. The structure, organisation and location of retailing is thus vastly different than that found thirty years ago. Consumers have changed, and their consumption habits and demands have changed with them. And for the retailers, the importance of recognising and responding to these changes is paramount.

One of the most obvious and dramatic changes that has taken place in the retail landscape in the last thirty years has been the massive development of out-of-town and edge of town retailing (see Tables 4.1 and 4.2). Indeed, Hall (1988) described the decentralisation of retailing as one of the four most profound changes shaping the geography of Britain. The counter urbanisation of the UK population is a process that has been occurring since the 1950s and can be seen to shape these retailing trends (Champion, 1989, 1996). Changes in the geographical distribution of the population (see Table 5.1) are crucial when considering the market size and the locational strategy for retailers. The process of counter urbanisation, entailing a shift in population distribution from larger and more densely populated areas to smaller and more sparsely populated areas, is therefore significant for the retailers as counter urbanisation increases demand for decentralised retail facilities (see Jones and Simmons, 1990 for a detailed examination of the impact of population location on retail location).

Table 5.1 Population change, by district type, 1981-1991

District type	Population 1981 (000s)	Overall change 1981-1991		Natural change %	Net migration %
		000s	%		
Greater London					
Inner London	2,550	77	3	4.4	-1.4
Outer London	4,256	7	0.2	3	-2.9
Metropolitan					
Principal cities	4,324	-185	-4.4	1.2	-5.5
Other districts	8,702	-112	-1.3	2	-3.3
Non-metropolitan					
Cities	5,598	49	0.9	1.7	-0.8
Industrial areas	7,440	128	1.7	2.4	-0.7
New towns	2,686	194	7.2	4.8	2.4
Resort, port and retirement	3,368	258	7.7	-4.7	12.4
Urban and mixed urban-rural	9,840	524	5.3	2.4	2.9
Remoter mainly rural	6,051	452	7.5	-0.6	8

Source: Champion (1996)

New consumer agglomerations: The emergence of the Transumer[2]

The growth of retailing in locations such as airports, railway stations, hospitals and service stations has been supported by a similar growth of consumption in these locations. In the interviews conducted for this thesis, the landlords, retailers and specialists argued that the customers at airports, railway stations, hospitals and service stations embodied distinct differences from the consumers who frequent more traditional locations, such as the high street. With particular reference to the airports, but also including the railway stations and service station, it was argued that a new consumer group of 'consumers in transit' exists. John Harrison, director of Fitch, acknowledged this group during interview stating that:

> *It is clear that consumers in a state of transit, that is to say Transumers, act think and shop in a very different way from consumers on the high street.* (Interview, 18/11/96)

[2] The term Transumer was first applied to consumers in transit by the London-based design consultancy Fitch and is a trademark of that company.

By distinguishing Transumers as a distinct group, exhibiting distinct characteristics from consumers on the high street and at traditional retail locations, Harrison suggests that 'consumers in transit' are a separate consumer group. Furthermore, Harrison argues that retailing in new locations cannot be considered as simply an expansion of traditional retailing in new locations. For Harrison, transumers are argued to be people such as the business traveller, who buys a bottle of alcohol at the airport duty free, the commuter, who buys a paper and packet of crisps at the railway station and the sales rep who buys a pizza and a packet of sweets whilst filling up their car at the service station. In this section I will examine this notion of the Transumer as a distinct category of consumer and the reasons for the growth of this group before going on to argue that this category of consumer illustrates trends which can be seen at a more general scale within Britain.

Consumers in transit, Transumers, are not a homogenous group and they can be divided into various categories. In fact, Harrison stated that there are differences between different types of Transumers within each retail location, as well as differences between the Transumers found at airports, railway stations and service stations. During interview Harrison argued that:

> *We found that you can actually segment it into three different Transumer mindsets and this can be the same person at different stages of their journey. The first is what we call the fastrack mentality...the second state is a comparison state...the third type of state is the impulse purchase.*
> (Interview, 18/11/96)

Fastrack Transumers, as the name suggests, are people who want the maximum efficiency with respect to the consumption process and the minimum distraction to their primary purpose:

> *Their barrier to spending money is, will I have enough time to buy a bottle of Gin before the flight gets called or will I miss my flight. When they are in that state people are looking for very fast effective communication and they want to know that they can get in and out of a shop very quickly.*
> (Interview, 18/11/96)

At the airport, these people are predominantly business travellers, who focus on passing through the airport without spending undue time in the landside lounge and want to pass quickly to the airside departure lounge and the planes. My observations of consumers in railway stations and service station[3] provided evidence that there is a parallel between fastrack consumers in the airports and users of other sites. The fastrack Transumers in all sites are predisposed to the functional aspect of being in the location, be that filling up with petrol or catching a train. The consumption process for these consumers is thus focused and fast, with people finding their product, paying and leaving, without wishing to browse. This type of consumer is recognised by David McRedmond, managing-director of WH Smith's travel-retail business. He sees fastrack Transumers in railway stations, primarily in the morning where "It's a pressure time. People are trying to get to work, they have a variety of things going through their heads, and we can help by taking the pressure off when they want to buy their newspaper" (Quoted in Oppenheim, 1997, 9).

The second category of Transumers are those in a comparison state, for whom the activity of consumption is an integral part of being in the site, be that the airport, railway station or service station, but especially for holiday makers at the airport, who often view it as an extension of the holiday. For this group of Transumers, there is less emphasis on efficiency and more on examining the range of products available. In many respects this group of Transumers are most similar to the consumers on the traditional high street. When discussing the Transumer in the airports during interview, Harrison outlined the characteristics of this group, stating:

> *Typically they know they are flying in a weeks time and have already done some homework about the brands they are going to look at. So when they go*

[3] Observations were undertaken in three railway stations, Manchester Piccadilly, London Waterloo, and London Liverpool Street and three service stations chosen for their facilities and the ability to pay for fuel without using the forecourt stores. Further to this, observations were undertaken at four airports, Manchester, Birmingham, Gatwick and Heathrow and two hospitals, Southampton General and Addenbrooke's. The main purpose of this fieldwork was to observe the consumer's actions, through non-contact observation, combined with face to face interviews and questionnaire surveys. This fieldwork is discussed in greater depth in Chapter Two.

> *to the airport they are looking for high levels of information and service from staff to make sure they are buying the right product.*
> (Interview, 18/11/96)

Observations of participants at the airports leads to the view that this group of Transumers is drawn from both the business travellers and leisure travellers. In either case they are characterised by spending more time at the airport than the fastrack Transumer. This group often arrive with time to spare specifically to go shopping (typically between one and two hours) as they are often aware in advance of the retailing offered at the airports. This group are visibly more relaxed than the fastrack Transumer and typically spend a portion of their time landside before going airside. Whilst it appears that both railway stations and service stations are predisposed towards the fastrack Transumer mentioned above, observations of the Transumers in these sites also demonstrates that comparison behaviour exists. At the railway stations the Transumer in a comparison mindset tends to be drawn from non-commuter users, those on longer leisure journeys and those whose trains have been delayed, entailing a longer dwell time in the station. Comparison Transumers in the service stations similarly spend a period of time in store, rather than just paying for petrol and/or predetermined items. Even with a shorter time scale of minutes, it is clear that some service station Transumers do exhibit tendencies to comparison shop.

The third category of Transumers highlighted by Harrison can be described as Impulse Transumers. These people take a comparatively slow approach to their consumption in these sites, often giving the impression that they have time to kill, as Harrison describes for the airport Transumers:

> *This group are what we call the twerlies, people who have arrived two hours early. They are the most susceptible to the impulse purchase and they are basically shopping to fill the time.* (Interview, 18/11/96)

In the railway stations, it was again the travellers with time to kill that tended to exhibit browsing and impulse attributes. People often picked up items (especially magazines, in the newsagents) and did not purchase them, and those that did often stated that it was on

impulse. Likewise observations of Transumers in service stations demonstrated that the browsing/impulse form of transuming does exist. Many of those surveyed stated that whilst they had not intended to buy particular items, they had done so impulsively whilst in the stores (7.2 % of those purchasing said it was on impulse. See appendix for details). Again this type of consumer is recognised as different by the retailers and David McRedmond of WH Smith noted " On the way home, it's a different proposition. People want to unwind and perhaps buy that book they really want to read. It's all about having a sharper focus on customers' needs." (Quoted in Oppenheim, 1997, 9).

In summary, observations of consumption behaviour at airports, railway stations and service stations identified three different forms of Transumers at each of the different locations. These Transumers are very different from the consumers in the traditional retail locations, such as the high street. The most profound and fundamental difference lies in the fact that the Transumer, as defined by Harrison, in whichever of the three mindsets, is not at the airport, railway station or service station primarily to shop. These consumers are primarily in transit and consuming as a secondary activity.

The rise of Transumers

The emergence of Transumers as a consumer group is a consequence of changes in the socio-economic and cultural make-up of society. As the Transumers are by definition consumers in transit, an examination of changes in travelling habits may explain the reasons for the growth of this group. Travelling further and more frequently, by car, rail or air, has an obvious and direct impact on retailing at service stations, railway stations and airports, in that it brings more consumers/travellers, or Transumers, into contact with the retail environments in those locations more frequently. Table 5.2 demonstrates that the total distance travelled by car and air more than doubled between 1961 and 1996 and whilst the majority of this growth is accounted for by cars, vans and taxis, it should be noted that air travel has also seen a steady growth during this period. Conversely, the use

of buses and coaches has fallen considerably during this period, and rail use has remained broadly stable. Hence the service stations and airports have experienced an increase in the number of people who will come into contact with their facilities, whilst the outlook has changed little for railways. As demonstrated in Chapter Four, the retailers and landlords expect this 'organic' growth in travelling to form the basis of their future retail growth in airports, railway stations and service stations.

Table 5.2: Distance travelled by mode, Great Britain (x000 million passenger kilometres)

	1961	1971	1981	1991	1996
Road					
Car and van[1]	157	313	394	584	620
Bus and coach	76	60	49	44	44
Pedal cycle	11	4	5	5	4
Motorcycle	11	4	10	6	4
All road	255	381	458	639	672
Rail[2]	39	36	34	38	38
Air[3]	1	2	3	5	6
All modes	295	419	495	682	717

1 Includes taxis
2 Data relate to financial years
3 Includes Northern Ireland and channel Islands

Source: Department of Transport, Social Trends (1997, 1998)

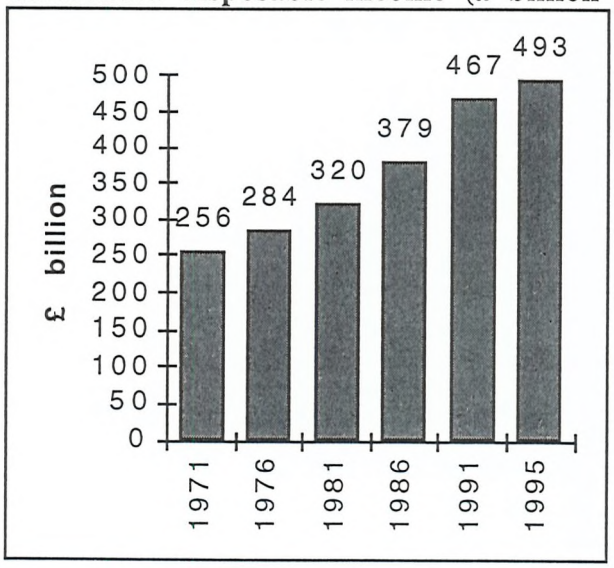
These changes in the travelling habits of the UK population can be closely related to changing patterns of social class. Table 5.3 demonstrates that the social class of the UK population is not static. Between 1989-1994 there has been a growth in social groups 1 and 2, the professional and managerial groups, from just under 30 per cent to nearly 34 per cent of the population (Labour Force Survey, 1995). At the same time, Table 5.3 illustrates a fall in the percentage of those falling into skilled, semi-skilled and unskilled occupations and that there has been a differential change in the growth of expenditure amongst different groups, with the expenditure of those in professional and managerial categories growing at the fastest rate, with an increase of 30.3%.

Table 5.3 Change in the social class of the economically active population 1989-1994.

	% employed		Average expenditure		% growth in average weekly expenditure
	1989	1994	1989	1994	
Professional managerial	29.9	33.6	122.86	160.04	30.3
Skilled occupations	48	42.6	97.77	114.48	17.1
Semi-skilled and unskilled	21.3	20.5	72.54	87.01	20
Others	0.8	3.3	n/a	95.7	n/a

Source: CSO, Labour Force Surveys and Family Spending 1990 and 1995

Figure 5.1 Total Household disposable income (£ billion at 1995 prices)



Source: Office for National Statistics/Social Trends (1997)

Table 5.4 Holiday taking by social grade

social group	holidays in Britain	Holidays abroad	No holiday
AB	44	59	18
C1	37	47	31
C2	38	32	38
DE	28	20	57

Note percentages do not add up to 100 because some people take holidays both in Britain and abroad.

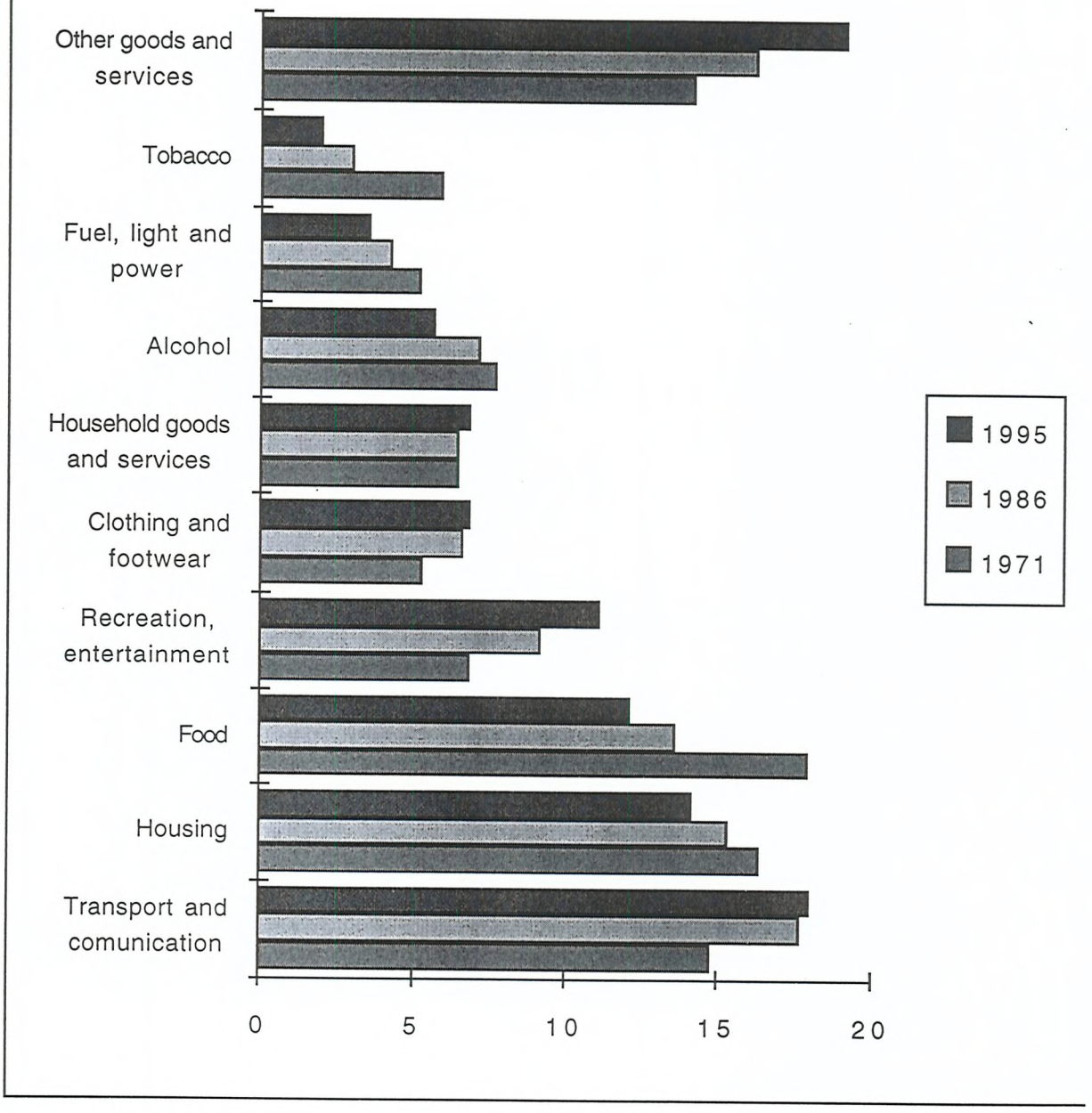
Source: British Tourist Authority, Social Trends (1997)

Whilst there has been a change in the socio-economic class structure in Britain, with more people in the professional managerial professions, there has also been a steady rise in average household disposable income which saw it almost double between 1971 and 1995 (see Figure 5.1). This change in the structure of the UK population can be read

as directly impacting on increased foreign holidays, since as Table 5.4 illustrates, the higher social classes are more inclined to take foreign holidays. Thus any change in social class structure impacts on foreign travel and therefore the contact people have with airport retailing in particular. However, the growth of retailing in airports, railways and service stations also reflects the changing spending patterns of the population, which are themselves linked to the disposable income and social class structure. As disposable income has risen, so the percentage taken up by items of everyday consumption, such as food, fuel, and housing, has fallen and the percentage spent on luxury items such as recreation and entertainment and transport and communication has risen (see Figure 5.2). It is these changes in expenditure that have led to the growth of car ownership and use, foreign travel and foreign holidays, and therefore the growth of the new consumer group of Transumers.[4]

[4] What should not be forgotten in examining these figures and the general rise in median living standards, is the fact that they have occurred at the same time as a growth in an unemployed 'underclass' and in the number of people in poorly paid jobs (the working poor). This dichotomy between rich and poor has been a key feature of the former Conservative administrations and from a retail perspective, this is damaging as this underclass cannot consume anything other than basic foodstuffs (Hallsworth, 1992; see also Rifkin, 1995).

Figure 5.2 Household expenditure %



Source: Social Trends (1997)

The 24 hour society and shopping 'on the go'

The definition of the Transumer, the consumer in transit as outlined above, has demonstrated that a particular consumer group exists that has individual characteristics setting it apart from the traditional high street consumer. However, these developments are linked to wider changes in the consumption habits of the UK population. These wider

changes are not restricted to people who consume whilst in transit, because certain aspects of consumption and shopping are now crammed into the daily lives of people who are working longer and more irregular hours. In recent years there has been a blurring of the boundaries between work, travel and consumption. Consuming in transit is one part of this phenomena, but 'shopping on the go' is a phenomenon which is on the increase due to wider changes in society and changes in lifestyle.

The growth of retailing at hospitals is part of the same set of societal changes that have prompted the emergence of the Transumer. In many ways, shopping at the hospital could be considered as transuming without being in transit. The consumers who are using the hospital are there for an alternative reason, as worker, visitor or patient but, just as Transumers at their locations, people in hospitals have a requirement for retailing. The customer profile at hospitals demonstrates that 47% of the shop users are employees, 38% are visitors and 12% are patients (John Menzies, 1996). Furthermore, research by John Menzies demonstrates that on average the hospital employees use the facilities 4 times a week, with 66% of employees using them during every shift worked. This form of shopping for the workers is a demand for convenient shopping that fits around daily working routines. Indeed, this combination of work and shopping is the biggest driving force behind this growth of shopping 'on the go'. The demand for convenient shopping at the hospital is explained by Tim Cronin[5] of Southampton General:

> *A hospital is very much like a small town...on a daily basis we have something like 9,000 people on the site in all. If you take it as a small town it has the same sort of requirement for the same things that you would normally have in a small high street. The difficulty for people working is that they have to go off site and of course that is very wasteful and very inconvenient for individuals. Having the facilities in the hospital means that it makes them available to the people who wouldn't be able to go off the site during their hours. It is very convenient because it saves people a lot of time and effort...*(Interview, 11/8/95)

One of the most significant developments in 24 hour convenience retailing has been on the petrol station forecourts. It is estimated that the forecourt convenience market

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[5] Tim Cronin is the commercial manager at Southampton General Hospital.

in the UK is currently worth £2.8 billion per annum (Shell UK, 1997a). More significant when considering a move towards a 24 hour society is the fact that the leading convenience retailer in the UK, Shell, currently does 20% of it's annual business, £56 million, between 10pm and 6am. Furthermore, 80% of Shell stores open 24 hours a day 365 days a year (Shell UK, 1997a). The driving force behind such 24 hour operations is the growing trend towards a 24 hour society, with 17 million people shopping at night (after 8pm) and almost one million people in the UK stating that after 10pm is the only time they can shop (Shell UK, 1997b). Indeed, the retail marketing manager of Shell UK believes that this trend towards 24 hour living will set the demand for many services:

> It's increasingly being accepted that the UK is becoming a '24 hour society' - that we will soon take it for granted to be entertained, have access to banking and shopping services, and communicate with each other electronically at any time of the day or night (*op cit.*, 4).

The development of a 24 hour society is a consequence of changes in the way people consider the day, with less people believing that work should have a rigid pattern. This is an issue highlighted by Dr David Lewis[6] when he says:

> We are witnessing a revolution in our attitudes towards day and night. This has brought about a profound change in the way we regard the flow of time, with fewer distinctions now made between periods of work, rest and play (*op cit., 3).*

Much of this change in attitudes towards time and our use of it is due to the feeling and reality that people are increasingly short of time, as Lewis puts it:

> We have exactly 168 hours available to us each week, and many people feel they have to squeeze 268 hours of activity into it. For them membership of the 24 hour society is the only way to fit a quart of demands into the pint pot of time available (*op cit., 3).*

Much of this change in attitudes towards time and particularly the development of a demand for services 24 hours a day can be linked to an increasing diversity in the labour force and working patterns. Indeed, businesses are managed in a more flexible manner than in the past, with shift work spreading from the emergency services and

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[6] Dr Lewis is a psychologist contributing to Shell's (1997) report 'Night time convenience shopping and the 24 hour society'.

manufacturing to many offices and computer firms (IDS, 1997; Mulgan and Wilkinson, 1995). This is acknowledged in figures from the Labour Force Survey which illustrate that companies are increasingly organising their businesses in terms of shift work, with three shifts, continental shifts, two day shifts, night and day shifts, split shifts, morning, afternoon, evening and night shifts, weekend shifts and other shift work increasingly prevalent. Indeed, seventeen percent of male and 25% of female full-time employees are now employed in shift work as opposed to the 'standard' 9-5 pattern (Labour Force Survey/Social Trends, 1997). This prevalence of flexible working patterns was significant in the survey of consumers conducted for this research, and 37% of those questioned worked either flexitime or shifts (see Table 5.5).

Table 5.5 Working hours of consumers

Group	Count	%
Don't work	16	3.34
Flexi time	111	23.2
Shift work	67	14.0
Standard "9-5"	285	59.5
Total	479	

Source: Consumer survey

This increased prevalence of flexible working patterns appears to go across the spectrum of work. High income, high status work such as scientific research increasingly requires spatial and temporal flexibility from employees (see Massey, 1995 and Henry and Massey, 1995 for a fuller investigation of this phenomenon), whilst the same flexibility is true for the contract services industries involved in activities such as catering, security and cleaning (see Allen and Henry, 1997). A good example of the developments in working patterns and their consequences for the retail environment comes from the hospitals, where Tim Cronin of Southampton General outlined the future course of change:

> *Hospitals are also likely to move at some stage to 7 day working. This is very busy Monday to Friday and at the weekend is very quiet because all the doctors have gone home with only a skeleton staff here. I think we will move to a situation where we are working 5 days out of 7 because a lot of people want their outpatients on a weekend or in the evening when they are not*

> *working and don't have to take time off to go to hospital. If you say to someone would you like to go on Saturday or in the evening they will say oh yes, because I am off on Saturday. So I think we have got be more flexible and we are starting to have evening clinics, for those that work late. So as staff work later it is going to be even more important that the facilities are there because they will be there at different times and so late openings of the shops will become more important. So you can almost think about 24 hours a day operations of everything.* (Interview, 11/8/95)

This statement clearly outlines the tendency for services, such as hospitals, to function 24 hours a day, with the consequence that those employed by such services will increase demand for retail services 24 hours a day. As Shell note, 22% of the people using their stores between 10pm and 3 am said this was the only time they were able to go shopping and 12 % of those shopping after 10pm were either on their way to, or from, work (Shell, 1997b). The consequences for the retail industry of a move to a 24 hour society is that the demand for the provision of services has changed. As Shell note "The message to retailers is simple: I'm awake, so why aren't you?" (*op. cit.*, 6).

Convenience and the time squeeze

The movement towards a 24 hour society is not the only shift in consumption habits which has consequences for the retail landscape in the UK. The growth of the convenience sector as well as the growth of retailing at sites conveniently located for travellers and workers is one of the biggest changes in the retail sector in recent years. It is argued that these locations have become everyday sites of consumption for those whose time is squeezed by the increasing demands of working life and the domestic sphere.

Whilst it appears that there has been a decline in the traditional corner shop and the use of the supermarkets for convenience shopping, convenience shopping is not in decline. Rather, this area has expanded rapidly with a growth in the percentage of the population undertaking some form of convenience shopping from 73% in 1994 to 92% in 1997 (Shell, 1997). This strength of demand for convenience retailing was supported by

my survey of consumers, in which less than 1% of those interviewed said they never convenience shopped (see Table 5.6).

Table 5.6: Level of convenience shopping

Group	Count	%
Daily	55	1.5
Regularly (once a week or more)	233	48.6
Occasionally (every 2 weeks or more)	139	29
Rarely (less than every two weeks)	50	10.4
Never	2	0.418
Total	479	

Source: Consumer survey

From the forecourt retailers' perspective this represents an opportunity for profit, as Mark Melvin of Texaco outlined during interview:

> *The potential's huge, there's billions of pound worth of top up shopping. Everybody runs out of milk, everybody fancies a packet of biscuits, newspapers, cigarettes. It's convenience, it's all very handy, I mean who wants to park in town on double yellow lines when they can pull into a forecourt, not get hassled and buy whatever they want.*
> (Interview, 23/8/95)

This has led to the development of facilities such as bakeries, fast food outlets, baby changing facilities, cash points, video rental, post offices and full scale convenience stores within traditional service stations (Retail Week, 3/10/97, 13/6/97; Bright, 1998). These are all services which the consumers appear to demand in convenient locations, which was reflected in these responses from consumers at service stations:

> *If you want some food then you know when you go down there you can buy it...and you don't want to go and slog through Tescos. You don't want to shop shop.*
>
> *On the way home when I lived in Bristol there was such a handy BP store and I passed it every night coming home and if I needed milk, and my wife rang me and said we need milk, or we need bread, or whatever, but not petrol, it's convenience.* (Customer interviews, 1997)

In their research, Shell found that after 8pm, 24% of the people buying non-fuel items from their forecourts were on their way home from work, whilst only 5% were specifically buying fuel. Furthermore, 44% of all petrol forecourt sales involve no fuel

purchase at all (Retail Week, 14/11/97) because working people are looking for convenience from such retailing locations, complementing their daily routines. This has resulted in the blurring of activities that could previously be considered separate. The line between work, leisure and consumption appears to be less well defined, as Mark Melvin of Texaco argued during interview:

> *It is a case of basically more people consuming on their way to and from work and these sites are now displacing the traditional sites of retailing. People are spending more time at work and these sites help them at least enjoy it whilst they're at work.* (Interview, 23/8/95)

This trend towards convenience does not stop at the petrol forecourts, however, and extends to all of the sites studied in this thesis. At the railway stations Sundeep Kakar of WH Smith argued that they are increasing the convenience to the customer by taking the shops to them rather than the customer having to go to the shop. A similar situation exists at the hospitals whereby the hospitals are trying to respond to demands for services by taking them to the consumer. The development of a demand in hospitals for convenience food due to today's increasingly hectic working practices is a key reason for Bateman services locating in hospitals (Bateman, 1997). Southampton General Hospital is also a good example of services following demand (primarily from workers), as a Citizens Advice Centre will open in the hospital along with other services, such as cash machines and a post office. Such developments are a welcome benefit to those that work there as they are very restricted in their access to facilities off site, as one consumer explained:

> *I think it is important really because I go straight to work in the morning and then I leave here about six . The only time I can get out is lunch time. Its a real hassle because parking is difficult here...and I don't tend to take a lunch break and tend to go on working, so I am far more productive if I can walk out to the shops on site, get a sandwich and eat it than if had to go up to Shirley [local shopping area] to eat it.* (Customer interview, 1997)

Another said:

> *I use the [shops], I've got a young family, and when I'm on my way home I think oh I must just get a loaf of bread, or I must just get some milk, so I use the grocery store a lot for that. Birthday presents, I'll just get a pair of earrings from there, clothing shop which is fatal, oh god they've just had a delivery I best just go an see what they've got, it's just the, it's just the convenience of having it there. The florists, what do I use the florists for? If I*

> *want to send some flowers or I want to buy some for myself, magazines obviously in the newsagents, I mean you know the bank ...Yeah I mean book your holiday. I'm just trying to think, I use them all, I don't think there's any I haven't, the only one, no the only two that I haven't used are the solicitors and the financial consultants.*
> (Customer interview, 1997)

At the airports, where the demand for convenience retailing is a smaller part of the total retail environment, the demand is primarily from the staff and business travellers. For the business travellers William Chellingworth of Burberry outlined the situation during interview saying:

> *You have a lot of business people travelling and their time is precious. They haven't got time to go shopping first of all, some don't like shopping, it might be a gift for the wife, girlfriend, husband or whatever. Shopping at the airport is very convenient for them.* (Interview, 26/7/95)

This notion of time being precious was supported by the consumers. During interview, one said:

> *I think that people's main purpose is to travel, but if they know they are travelling and they know that there are shops available they will make use of them. I certainly think that it is going to continue. Time, there is always pressure on time for people isn't there, more and more and more there's never enough time to do anything, particularly in London and so on and people use that opportunity.* (Customer interview, 1997)

Retailing at these locations is therefore meeting the needs of the people working in them, travelling through them, and even those who are patients in them. In many ways it appears that they have become everyday sites of consumption for some of their customers, as John Harrison of Fitch suggested during interview:

> *People no longer say this is a petrol service type shop or a supermarket shop it is becoming just places I can buy milk and as such the barriers between different types of retail space are merging as a result of us becoming more retail literate and also being more aware of where and how you can by retail products. So I think we are going to see the barriers between different retail sites being lifted even more so an airport as a high street at one level is normal for some business travellers who see it as their high street .*
> (Interview, 18/11/96)

This growth of convenience shopping highlights a distinction between 'purposeful' and 'leisure' shopping. Jolly (1995) describes 'purposeful' shopping as "identifying and purchasing a predetermined range of goods in the most convenient,

timely and cost-effective way" (1995: 149). However, when we remember that services such as retailing and banking are traditionally not available outside 'standard 9-5 time' this becomes increasingly difficult for workers who continue to carry the domestic burden of purposeful shopping. Scarcity of time leads to an increase in demand for the availability of services such as retailing outside of the 'standard 9-5 time'. This unavailability of retailing at convenient times was noted in my survey of consumers, of whom 77% stated that the shops are not usually open when they want them to be during their working week (see Table 5.7). The results of this demand are evident in the retail landscape today beyond the growth of retailing at the sites studied in this thesis. In recent years shoppers have witnessed the development of Sunday trading, the relaxation of evening trading to extend opening hours, the development of home delivery, home shopping, and more recently work delivery[7] and internet shopping.

Table 5.7 During your working week are shops open when you want them to be?

Group	Count	%
Always	13	2.71
Usually	80	16.7
Not usually	370	77.2
Never	16	3.34
Total	479	

Source: Consumer survey

Table 5.8 When do you convenience shop?

Group	Count	%
At work	96	20.04
Lunch time	45	9.39
When not at work	329	68.68
Way to/from work	288	66.12
Other	19	3.97

N.B. Respondents could give more than one answer.
Source: Consumer survey

[7] Waitrose now delivers groceries to employees of certain companies in the workplace, as part of trial workplace shopping (Retail Week, 3/10/97).

Table 5.9 Where do you convenience shop?

Group	Count	%
Railway station	63	13.15
Shops at work	12	2.5
Supermarket	33	6.89
High street	14	2.92
Local/village store	134	27.97
Convenience chain (e.g. Spar)	134	27.97
Petrol station	230	48.01
Airport	0	0
Hospital	47	9.81
Other	6	1.25

N.B. Respondents could give more than one answer.
Source: Consumer survey

For the retail locations examined in this thesis it is argued that this time pressure and the requirement for purposeful shopping have increased the demand for convenient retailing that is located either on the way to/from work or at the workplace (see Table 5.7 and 5.8). This accounts for the growth of dedicated convenience retailers in the airports that are aimed at the staff and at railway stations, where the growth of product ranges in the sites has come to include many purposeful items such as milk and bread. This 'purposeful' demand due to changing habits based upon the changing nature of the family was seen to be a key reason why one retailer, John Menzies, chose to locate in hospitals and railway stations, as Brian Short the Retail Acquisition Controller explained:

> *Patterns of consumption have changed in line with the change in family lifestyle and working situations, as well as increased leisure opportunities. People are therefore more involved in distress purchasing and purchasing for snack meals as a result of the breakdown of the habit of family mealtimes to eating by convenience. As a result people tend to shop other than for their main shop in places of convenience, i.e. en-route or at their place of work....*(Personal correspondence)

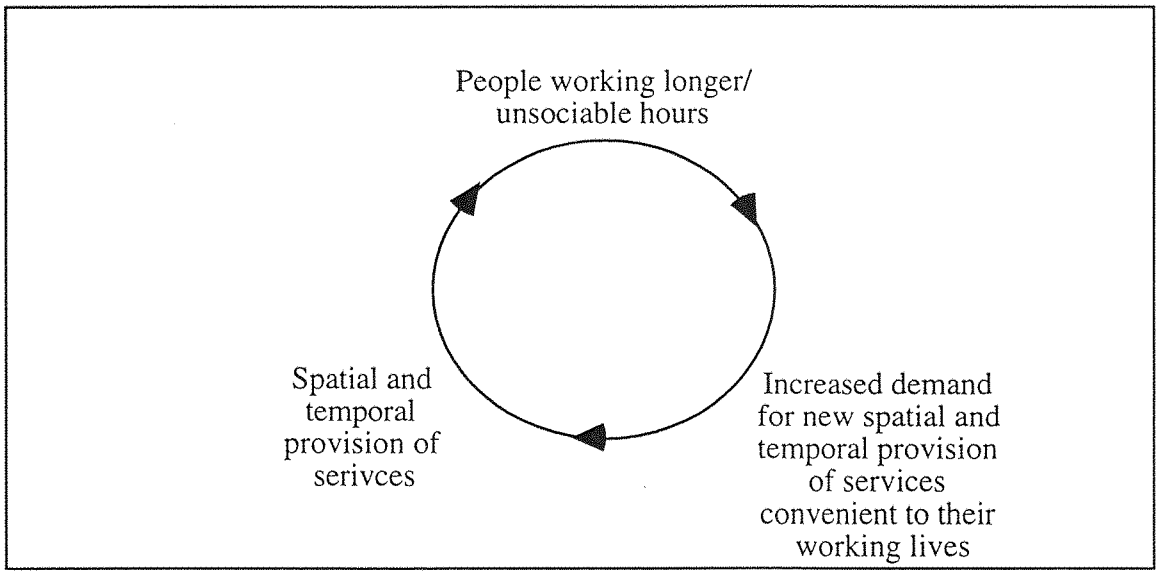
Those in work experience time constraints on their shopping patterns, and if the hours of work are extended or altered outside of the traditional 9-5, then their restrictions on shopping are extended and changed, creating a self perpetuating demand for services outside of the traditional 9-5 provision (see Figure 5.3). Indeed, even those working

within 'standard' time find it difficult to find services open at times when they are free (Mulgan and Wilkinson, 1995). The impact of this 'time squeeze' is espoused by Samms (1995, 33), when she states that:

> In the 1990s there is a sense that people everywhere are faced with increasing time pressures in all facets of their lives and are searching for mechanisms which give them greater control. People are looking for institutions, companies, services, brands and communications which enable them to take greater control of their lives and to allow them more space for themselves.

This search for control is illustrated by the demand for spatial and temporal freedom from the restrictive nature of traditional services, which are synchronised with the 'working day' (9-5:30pm) and 'traditional' locations (Bianchini, 1995). The late 1990s represent a period when people want to be free of such restrictions and have demands of the retail environment that match their lives, as depicted in Figure 5.3.

Figure 5.3 A self perpetuating demand for spatially and temporally convenient services



The long hours culture in the UK

The evidence presented in the previous sections of this chapter demonstrates that the retail landscape is being shaped by the demands of people's daily lives and the changing pace of life. One of the most significant aspects of people's daily life is the job they have and consequently, the hours they work. An examination of working time reveals that a long

hours culture is prevalent in the UK. This long hours culture is therefore a further significant socio-cultural force that has consequences for the retail landscape.

The reasons for the increased prevalence for 'unsociable' shift work and long hours are many and varied. However, for all sectors of the labour force, job insecurity and competition appear to play significant roles, with "coercion and subtle intimidation used to force worker compliance with the requirements of post-Fordist practices" (Rifkin, 1995b). In the case of the contract service industry, competition for market share by large multi-site operators is considered to be a force behind arbitrary changes in the spatial and temporal location of work for the employees. This is allied to individual contracts, rather than collective bargaining which result in employees agreeing to contracts which stipulate spatial and temporal flexibility in their availability to work (Allen and Henry, 1997). In a similar way, managerial and professional positions have become less secure, with the threat of redundancy never far away and the notion of a job for life a distant memory. This has resulted in people working longer and staying in the office for fear of appearing dispensable, "whilst to be busy is to be needed, and staying at work all hours indicates how important we are-even if it means no time to give to family and friends" (Tyrell, 1995: 23; Pahl, 1995). This appears even more crucial in considering the top jobs, where one of the main strategies for reaching the top appears to be working longer hours than other staff in the office (Gershuny, 1995). This competition for the post is again part of the reason behind the spatial and temporal flexibility towards work witnessed by Massey (1995) when examining the high technology sector. Indeed, it is argued that a culture glorifying long hours exists (Massey, 1995; see also Pahl, 1995). Whatever the causes of the long hours culture, there is a distinct pattern of working long hours in the UK and a temporal flexibility of the labour force. One consequence of these changes in working time is the growth of people who are money-rich but time-poor, a situation mirrored by the un-working class who are time-rich and money-poor (Gershuny, 1995; Schor, 1995).

The New Earnings Survey[8] provides the longest time series on trends in hours worked and is therefore a good place to start an examination of changes to working time in the UK. The trends in hours are presented in Table 5.10 and there appears to be little change over the period covered in terms of total hours worked, with a slight increase in the hours worked by manual females, and both male and female non-manual workers, with only manual male employees having a reduction of 1.4 hours since 1979.

Table 5.10 Trend in basic hours, overtime and actual hours worked.

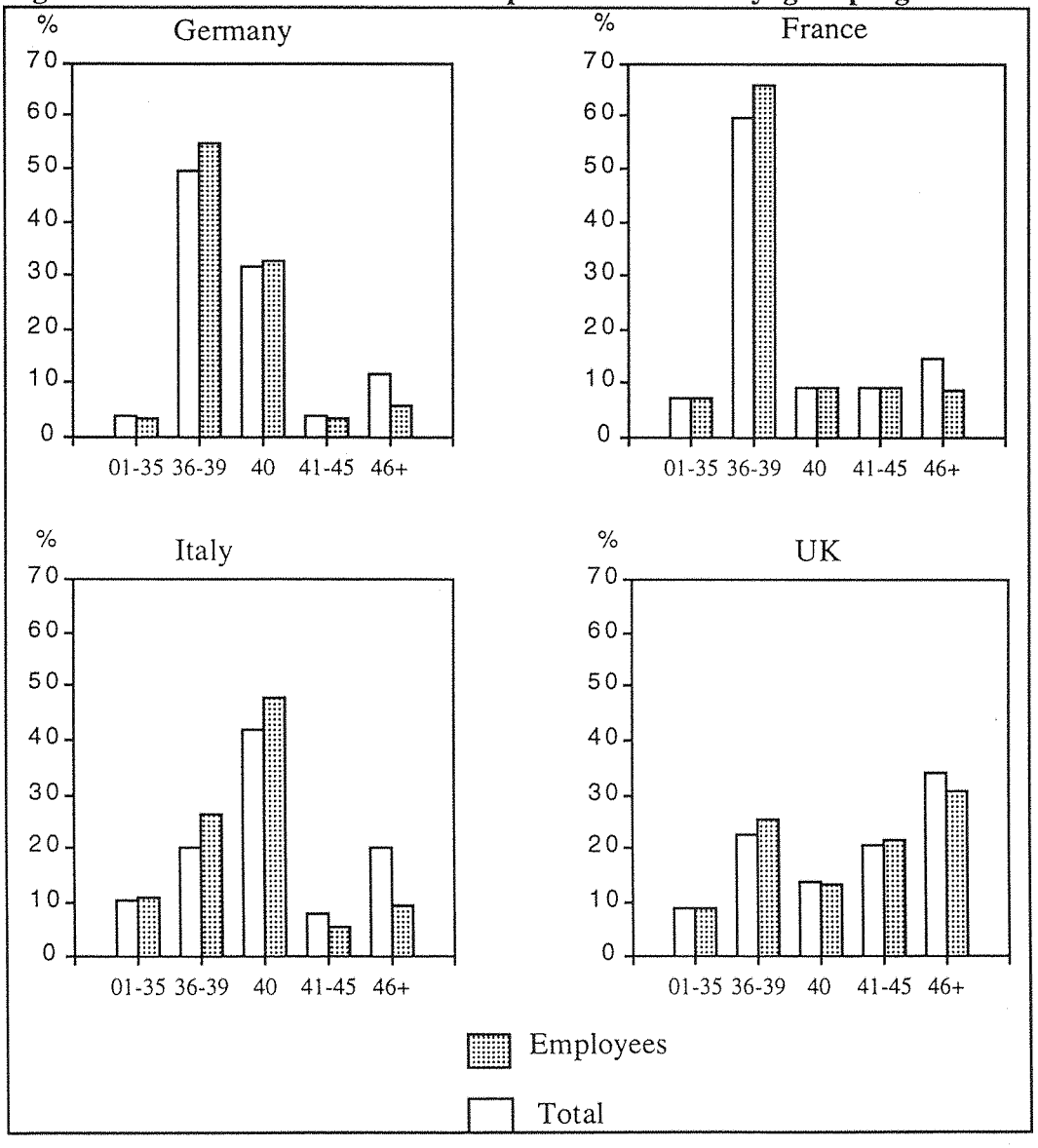
	Basic hours				Overtime hours				Actual hours			
	Manual		Non-manual		Manual		Non-manual		Manual		Non-manual	
	Male	Fem.	Male	Fem.	Male	Fem.	Male	Fem.	Male	Fem.	Male	Fem.
1979	39.9	38.5	37.2	36.3	6.3	1.1	1.6	0.4	46.2	39.6	38.8	36.7
1981	39.7	38.5	37.1	36.1	4.5	1.0	1.3	0.4	44.2	39.4	38.4	36.5
1983	39.2	38.1	37.1	36.1	4.7	1.2	1.3	0.4	43.9	39.3	38.4	36.5
1985	39.1	38.0	37.0	36.1	5.4	1.5	1.6	0.5	44.5	39.5	38.6	36.6
1987	39.1	38.1	37.2	36.2	5.5	1.6	1.5	0.6	44.6	39.7	38.7	36.8
1989	39.1	38.1	37.3	36.2	6.2	1.8	1.5	0.7	45.3	39.9	38.8	36.9
1991	39.1	38.1	37.3	36.2	5.3	1.6	1.4	0.6	44.4	39.7	38.7	36.8
1993	39.0	37.9	37.4	36.2	5.2	1.9	1.3	0.6	44.3	39.8	38.6	36.9
1995	39.5	38.2	17.8	36.4	5.7	2.0	1.2	0.6	45.2	40.2	39.0	37.0
1996	39.6	38.3	37.9	36.4	5.3	1.9	1.3	0.6	44.8	40.2	39.1	37.1

Source: New Earnings Survey

[8] The issue of examining working hours is more complex than it might at first appear. In a report on working time IDS (1997) are at pains to convey the message that studying the hours worked by UK employees is not straightforward and must be approached with a degree of caution. It is argued that cross company and cross industry comparisons are made difficult due to the increased prevalence of shift work and individual company contracts, stipulating different 'normal working hours'. Furthermore, it is argued that the issue of examining rates of overtime has been made less clear by the reduction of the working week, so that some current overtime would formerly have been part of the working week. One approach to avoiding such pitfalls when examining working time is to consider only 'real working time', that is time spent on the job, excluding meal and cigarette breaks (IDS, 1997). It is argued that this provides a clearer understanding of the changes taking place in working time. However, the focus of this chapter is to elucidate the impact of changing working time and working patterns upon consumption habits in the UK. The warnings of IDS (1997) with respect to issues such as overtime are fully acknowledged, but by examining changing working time that includes all the time spent at work and travelling to work, it can be demonstrated that such changes have influenced consumption habits and the consequent growth of retailing at the sites studied in this thesis, particularly railway stations, hospitals and service stations.

This series is however, problematic in that it represents an average for all workers. Therefore, for different types of workers this average could disguise quite large variations in hours worked. By examining the spread of hours worked (see Figure 5.4) by employees, it can be seen that only 13.7% of employees work 40 hours a week. The graph also illustrates the large proportion (20%) who work between 41 and 45 hours a week. Most significant is the fact that the largest single group of workers (27.3%) actually work 46 hours or more a week, not the average hours (37-45) presented in the New Earnings Survey.

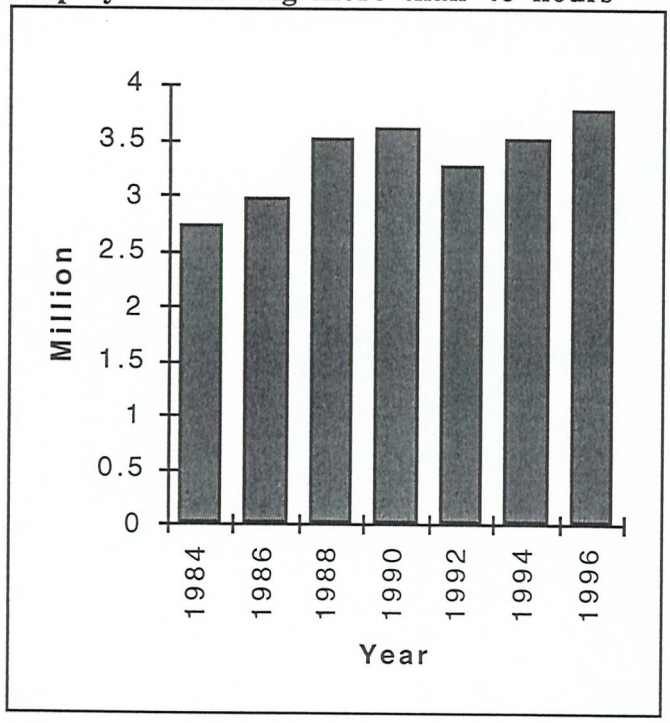
Figure 5.4 Hours worked in European countries by grouping



Source: Labour Force Survey Results, Eurostat (1995)

The percentage of people working more than 48 hours a week has also increased in recent years (see Figure 5.5). In September 1994, the European Commission reported that over 25% of British men employed in services and industry worked more than the proposed European legal limit of 48 hours (Winkfield, 1995).

Figure 5.5 UK Employees working more than 48 hours



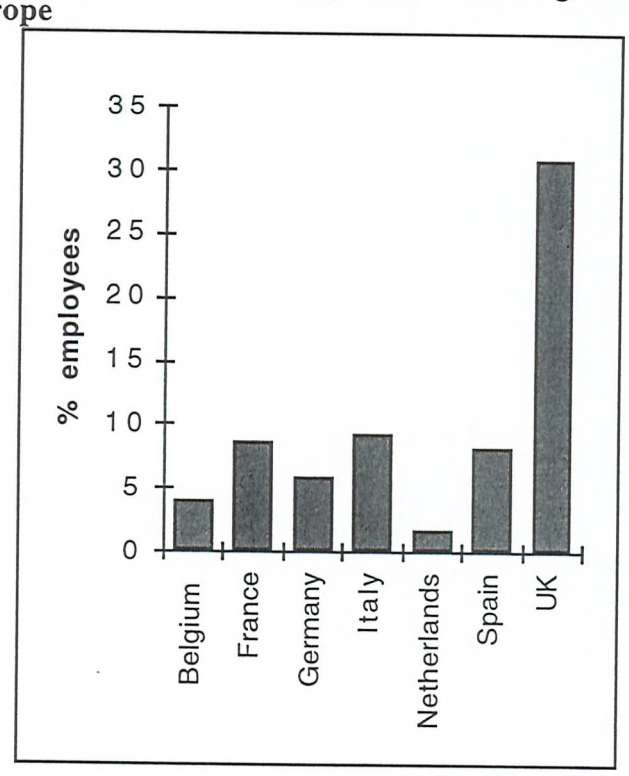
Source: IDS (1997).

Even these figures can mask changes to working time as many workers do more than their contractual obligations. For example, the teachers review body reported that the hours worked by classroom primary school teachers had risen from 48.8 to 50.8 hours between 1994 and 1996, when their contractual hours are 32.4 hours per week (IDS, 1997). One of the most common areas where unpaid overtime is worked, according to the Labour Force Survey, is amongst managerial and professional staff and about 20% of managers and nearly 30% of professionals work 10 hours unpaid overtime each week (IDS, 1997). More extreme still is a report by Personnel Today, which stated that one in eight managers work over 60 hours a week and that 40% work more than fifty hours, with executive working hours increasing by 20% during the 1980s (Mulgan and Wilkinson, 1995; Douthwaite, 1992). Not only are this group working longer hours,

they are also taking work home with them, with 54% taking work home once or twice a week (Demos, 1995).

Such a trend towards a long hours culture also appears to be a particularly British phenomenon when considered in the context of European working hours. Figure 5.6 illustrates that the UK has a large number of individuals working longer hours than our European neighbours, with 30.9% of full time employees working 46 hours and over, compared to an average of 11.1% for the EC, which is itself distorted by the UK figure (see Figure 5.6).

Figure 5.6 Percentage of full-time employees working 46 hours and over per week in Europe



Source: Labour Force Survey Results, Eurostat (1995)

When comparing the working week across Europe the UK is equally anomalous, with only 36% of people working a 'standard' week of between 36 and 40 hours, compared to the EC average of over two-thirds (See figure 5.4).

Working women and the "double burden"

Changes in the participation rates of women in the labour market is a further key socio-cultural change which has significance for the retail landscape. When examining the workforce in terms of full-time equivalent, 1988 is the first year in which a genuine rise in the workforce took place[9]. Hakim argues that "the significance of this recent development is being overlooked, as it is widely believed to have already occurred" (1993, 104). This suggests that since the late 1980s the growth in female participation in the workforce has been acting as a catalyst of social change, and changing demand on the retail landscape. This rise in female participation in the workforce coincides with a strong and consistent growth in retailing in airports, railway stations, hospitals, and service stations. Even without this more recent trend of an increase in full-time equivalent rates amongst women it can be argued that for an increasing number of women there has been a steady shift from family work to paid work and women are expected to make up at least 44% of the work force by the year 2000 (Hewitt, 1993).

An increase in the participation of women in the work force has a considerable impact on society, and in particular it reduces the time available for domestic and/or family matters. In Britain today where the most common household is two working parents, the pressure on women's time has become particularly acute (although it must be noted that the female work force is heterogeneous and does not consist solely of married women with children). The time pressure on working women is increased by the fact that whilst women have moved into the sphere of paid work, men have not increased the time they spend on unpaid domestic labour at the same rate, magnifying the "double burden" for women (Hewitt, 1993: 5). This was highlighted in the survey of consumers undertaken for this research in which 72% of women said that family commitments

[9] This subject has been widely discussed in the academic literature, see Hakim (1993) and Hewitt (1993) for an overview of female participation in the workforce.

contributed to the scarcity of their time, as opposed to only 23% of men (see appendix). Taking the example of full-time employees this discrepancy is highlighted by the fact that whilst full-time women workers are employed for fewer hours than their male counterparts, this shortfall is more than offset by non-paid activities (See Table 5.11).

Table 5.11 Time use: hours per week, 1993

	Full-time males	**Full-time females**
Paid work	39.2	36.2
Travel to/from work	6.3	4.6
Total	45.5	40.8
Household chores		
Essential shopping	1.6	3.1
Essential cooking	4.0	7.7
Cleaning the house	3.5	8.7
Other chores	3.6	5.8
Other less discretionary activities		
Other shopping	1.6	2.5
Child care	3.2	6.4
Personal hygiene	8.2	11.0
Total	13.0	19.9
Grand total	**71.2**	**86.0**

Source: Tyrell (1995)

Furthermore, it is recognised that women of all categories (full-timers, part-timers and housewives) tend to have lower levels of free time than men. However, the situation is most acute for women in employment, with 86 per cent of full-time women agreeing with the statement 'I never have enough time to get things done' (Tyrell, 1995).

This pressure on women's time leading to the demand for convenient services was recognised by Tim Cronin, the Commercial Manager of Southampton General, as being a driving force behind the retail developments in sites such as hospitals, as he explained during interview:

> *You have got working mums and they've got very pressurised jobs. I know people here who have got very demanding jobs, they have got a family to look after. They either drop the children off to day nurseries or school, collect them on the way back, run home as well, do the shopping and all the rest as well. The more convenient things can be made for them the more easy it is. Its like people here, they don't want to go all the way to Shirley [local*

> *high street] just to get some money out of the cash machine, it seems such a hassle when all they want to do is get a sandwich.*
> (Interview, 11/8/95)

People are, therefore, concerned to fit shopping into their working lifestyles, with the result that demand for retailing amongst workers, and particularly those who do the purposeful shopping, is for more convenient provision of retailing which reflects the reality of modern British daily (working) life.

Travel time: part of the 'working day'

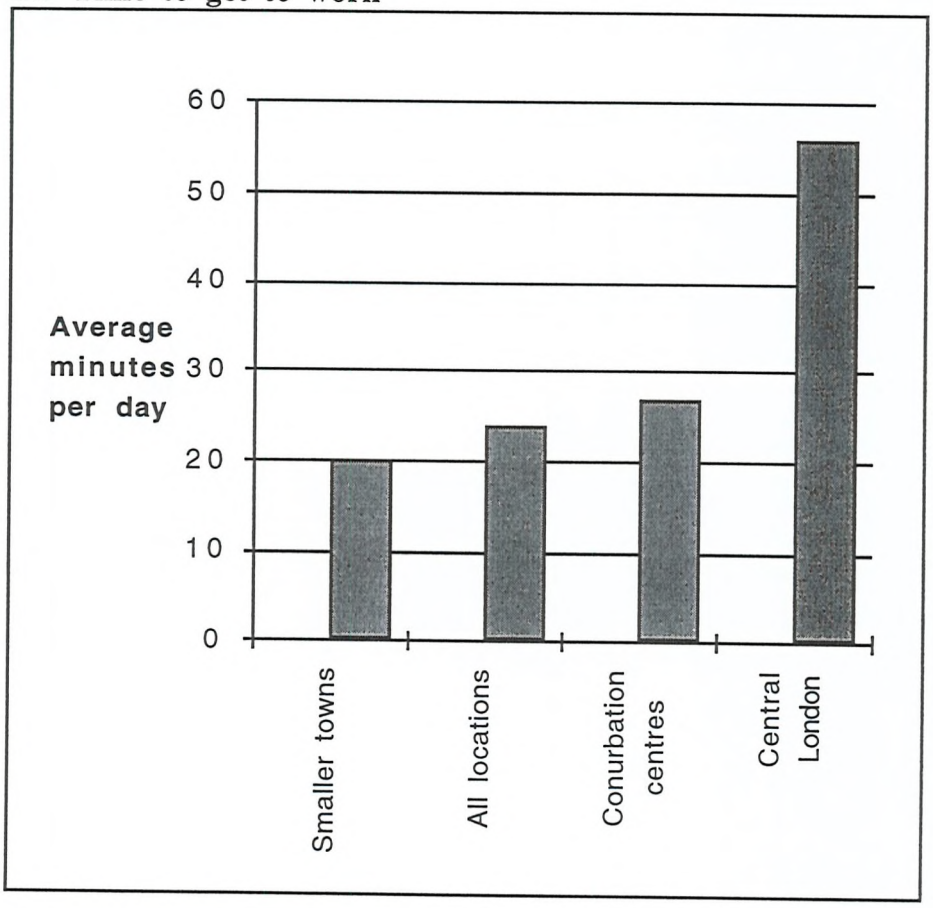
> For the employee working time includes all of the hours spent at work, and the working day includes the time spent travelling to and from work. (IDS, 1997: 2)

This total 'working' time approach is, I believe, more valid than a simple examination of changes in the working time of employees, because it examines the overall changes in people's daily lives, not just their contractual hours. Therefore, it is argued that it is important to examine the total working day in order to understand how travel time can add to the time squeeze felt by employees, and the consequences of this for the retail environment.

On average, the time spent on the journey to work has remained relatively stable over the last 20 years. Average travel time is 24 minutes each way for Britain as a whole and this constitutes 4.5% of the disagregated time use over a week for men and 4% for women (See Table 5.11). This means that the time spent travelling to and from work adds almost an hour to the 'working' day for the average employee (DoT, 1996, IDS, 1997). However, the National Travel Survey (DoT, 1996) reveals that the average Londoner takes 48 minutes travelling to work and 56 minutes in the case of those working in central London, adding almost 10 hours to the 'working' week (See Figure 5.6). As well as this time spent travelling to work there has been a trend towards travelling further distances to work in the last 20 years, and particularly so in the case of

women commuters (IDS, 1997). In addition, increasing numbers of parents now drive their children to school before starting their own journey to work. This results in parents spending 900 million hours of their time taking and collecting children from school, while the proportion of seven year olds going to school unaccompanied has fallen from 70% in 1971 to 7% in 1990 (Mulgan and Wilkinson, 1995).

Figure 5.7 Time to get to work



Source: IDS (1997)

The consequences of the trend towards longer distances travelled to work, and increased journeys to school, on the retail landscape are an extension of those noted earlier, when discussing changes to working time. Increases in the time spent travelling to work and therefore the 'working' day, increases the sense of a time squeeze for workers. This in turn, increases the desire for convenience when shopping, adding to the demand for the spatial and temporal provision of retail services which reflect, or are

integrated into 'working' life in Britain. A spatial and temporal demand that is partially fulfilled by the airports, railway stations, hospitals and service stations.

Conclusion

As Britain has moved to more flexible methods and hours of working, the 24 hour society has developed. However, it is argued that this is part of the more general development of a 'time squeeze', a phenomenon most commonly associated with changes to 'working time' and what has been described as a 'long hours culture'. At the same time, for the majority of those in work, household incomes have been rising and households are becoming increasingly asset-rich and time-poor. This is seen to impact on the family, with the work/family trade off becoming problematic for both men and women as they lack 'quality time' (Pahl, 1995; Samms, 1995). Moreover, the effects of such social and cultural changes upon the retail landscape are most clear in the way that those in work (especially the growing female workforce) experience time constraints upon their consumption activities, leading to changing retail demands. The impact of new demand for spatial and temporal freedom can be clearly witnessed in the retail landscape, which has witnessed the growth of retail facilities which cater for these time-poor customers, of which the development of retailing in airports, railway stations, hospitals and service stations is a part.

This chapter has presented the argument that the growth of retailing in airports, railway stations, hospitals and service stations is not only a response to the economic and political pressures on the landlords to diversify their profit base and make the best use of their assets (Chapter 2), nor merely a response to the spatial strategies of retailers (Chapter 3). In fact it is both of these, but in addition it is closely bound up with ongoing changes in the nature of UK society. Landlords and retailers are responding to demand from their consumers, as is illustrated by Tim Cronin of Southampton General:

> *With more people working with two people working in the family, people don't have the time, traditionally the females, to wander off to the shops when they want. People now are very pressurised in terms of trying to fit so*

> *much into their lives. The more we can bring in here with regards to Post Office facilities, access to cash machines, dental services, dry cleaning services, anything that people must get in their day to day life it is worth trying to provide on site. So we are looking all the time to people's needs in terms of what sort of things they want. For instance one of the shops now sells tickets for the national lottery.* (Interview, 11/8/95)

And John Harrison, in the case of the airports:

> *I think the biggest change we are going to see is the airport authorities becoming more consumer led. It is quite easy, and they are incredibly good at it, but it is quite an easy formula to create a 1980s shopping mall. Big white architectural space with loads of boxes in it and lots of retailers who want to take that space, it doesn't take that much. But to move beyond that and create an environment which consumers believe is perfect for their needs and aspirations is much more challenging. And the challenge is also to tap into the latent demand which cannot be met until someone takes the plunge and tries to meet it , responding to the consumers in question.*
> (Interview, 18/11/96)

There is, however, a difficulty in stating that the retailing witnessed in many airports, railway stations, hospitals and service stations directly responds to consumer demands, borne out of changing lifestyles because that demand is latent until the retailers and landlords open up shops to meet it. That is to say, the demand is there but it is not visible until the retailers recognise it as a niche and begin to exploit it. This difficulty is outlined by Mr Patel of Boots, who succinctly summarises the argument:

> *Attitudes have definitely changed but I think there were always latent demands and subconsciously people have always had a need for these things, it was just a case of prompting them and making them buy and facilitating their latent need. Life for people has changed and there are some pressures and demands that were not there in the same way before and this has had an effect on people's shopping practices, with the effect that because Saturday is a hassle and people don't want to shop then, they would rather spend time with their families and people are turning away from this activity. The station stores then offer them another option, that is to shop whilst they travel to, during, or from work and still spend time with the family at the weekend. Sometimes it is distressed or emergency shopping as well, but generally it is just part of this shift to doing more shopping whilst you are working.*
> (Interview, 21/7/95)

Most of the retailers, landlords and specialists interviewed for this research agree that there is a necessary and complex relationship between consumer, producer and supplier, acknowledging the different but necessary roles of the consumers, retailers and landlords in the development of retailing in these sites. This relationship was outlined by Ian Williams of St Thomas' Hospital during interview:

> *I think it is retailer/landlord led, although I guess it is a triangle in many ways isn't it. It is retailer/landlord led because if you look back to 1988 the same customer was still coming in, but could only get a cup of tea from the League of Friends. Come 1990 and he was able to buy whatever from John Menzies and so on, so in that respect you could say it was retailer /landlord led. But then they wouldn't have been able to develop those areas if there wasn't demand there in the first place.* (Interview, 9/8/95)

Shell UK recognise the importance of the customers' demands to the development of retailing, and argue that companies failing to recognise consumer demands may have a difficult future:

> For the retailers prepared to serve a society which never sleeps, the rewards could be high. But those who fail to listen to their consumers or offer the convenience, freedom and flexibility consumers demand, could find themselves shutting up shop forever (Shell, 1997, 7).

The preceding chapters have outlined the factors influencing the development of retailing in airports, railway stations, hospitals and service stations from the perspective of the landlords, retailers and consumers. It now remains to explain how these non-traditional retail locations have drawn these elements together to become successful retail locations in Chapter Six.

Chapter Six
Airports, railway stations, hospitals and service stations: places of consumption

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Introduction

The material presented in the previous chapters has clearly demonstrated that there are a number of political, economic, social and cultural reasons for the growth of retailing in airports, railway stations, hospitals and service stations. However, whilst the causes of the growth of retailing in these locations from the point of view of the landlords, retailers and consumers have been demonstrated, the ways in which these demands for retailing have been translated into successful retailing at the locations examined in this thesis has not been explored. This chapter examines how retailing has been developed in these locations.

The reason that people visit airports, railway stations, hospitals and service stations is primarily linked to the core services that these places provide. Whether it is to travel, receive medical treatment, or to work at these sites, the primary function is still critical to the development of retailing in these locations. Consequently, retail activities in such locations are secondary to the primary functions of these sites and therefore, these locations present different retailing conditions from those found on the traditional high street. As we have seen, the customers' motives for shopping are often different from those on the high street. The high street customer has chosen to visit the high street specifically to shop, it is a planned visit, with potential purchases in mind. Furthermore, the visit often involves the family and the shopper is relaxed. By contrast, the consumers examined in this thesis have usually visited the sites for their primary service and shopping in these locations is largely unplanned, involving impulse purchasing (Saunders, 1995; Kakar and Worrall, 1995). Furthermore, the shopping experience at

these locations often involves a certain amount of stress, time constraint[1] and anxiety[2]. My survey of consumers at airports, railway stations, hospitals and service stations highlighted the secondary status of retailing in these locations: 71% of respondents saying that they did not consider them as normal shopping locations (see Table 6.1).

Table 6.1 Respondents' answers to the question 'Do you consider this to be a normal shopping place?'

	Count	Percentage
Yes	138	28.8
No	340	71.0
Don't know	1	0.2
Total	479	

Source: Consumer survey.

The secondary status of retailing in these locations was not, however, experienced to the same degree across all the sites studied (see Table 6.2). Service stations are considered to be normal shopping places by over 60% of their users, compared to less than 30% of respondents at the other locations.

[1] The notion of time constraints producing a demand for retailing in these locations was highlighted in Chapter Five.

[2] The issue of demand for retailing in airports, railway stations, hospitals and service stations was examined at length in Chapter Five. Here it was outlined that a different consumer could be discerned from the high street consumer. The 'transumer', or consumer in transit, can therefore be seen as different and having different expectations of the retail environments when they are shopping 'on the go'. The environment of the transumer is examined in detail throughout the remainder of this chapter.

Table 6.2: Contingency table showing respondents' answers to the question 'Do you consider this to be a normal shopping place?' and the locations surveyed.

	Don't know	No	Yes
Airport B	0	100	0
Airport G	0	85.7	14.3
Airport H	2.44	97.6	0
Hospital S	0	74.0	26.0
Hospital T	0	72.3	27.7
Petrol A	0	31.0	69.0
Petrol E	0	33.3	66.7
Petrol Sc	0	36.6	63.4
Rail L	0	79.1	20.9
Rail M	0	86.4	14.6
Rail W	0	85.4	14.6
Total count	1	340	138
Total %	0.2	71.0	28.8

Source: Consumer survey.

The notion that these are not 'normal' sites of consumption is compounded by the fact that they were designed and built, understandably, with the operational and functional requirements of the primary purpose of the location in mind. All of the sites, but particularly the airports, railway stations and hospitals, carry with them the history of their 'other' existence which compromises their contemporary commercial (retail) appeal. In the case of many of the railway locations, these problems are compounded by the fact that many are listed buildings and it is not possible to fully develop them for retailing.

It is not, however, only the primary function of the locations that can lead to the poor integration of retailing in them but it is also the case that many of the potential consumers have had poor experiences at them. In a survey of customers conducted prior to the redesign of an oil company's forecourt stores, it was found that potential consumers perceived the sites to be "...somewhat incompatible with a hygienic and pleasant place in which to shop" (Finch, 1991, 65). According to John Harrison[3] of the

[3] John Harrison is a director of Fitch, the international design and business consultancy. He is a specialist in consumer behaviour and retail strategy within travel shopping environments.

design consultancy Fitch and John Lawler of Shell, the service stations appear to be suffering from a lag between perception and reality, as the stigma of the 1950s and 1960s remains (Lawler, 1994). Much of this perception is the direct outcome of past retail practices at service stations, as outlined by Kirkpatrick:

> Historically, consumers have associated forecourt shops with over-priced products from poorly merchandised shelves and served by unconcerned staff. This perception is based upon a historical absence of retailing discipline by operator or retailer alike (1994, 43).

As the oil companies try to improve the commercial viability of retailing, they still have to accept the fact that people do not enjoy going to the forecourt to buy petrol. As Clive Head of Mobil explained during interview:

> *Now the problem we have is fuel is what we term a distressed purchase. No one wants it and no one really cares about it. ...you can't see it and the only time you know something is going in is two occasions; when it blows back and goes all over your shoes; the other time is when you jump in and the needle goes up to full; oh and it smells. That's the product we are marketing.* (Interview, 3/8/95).

Airports appear to have similar problems which work against them as retail locations. Historically, the public had a poor perception of airport terminals particularly as the retailing on offer was poorly presented. As Michael Cole[4] of Harrods suggested during interview, airport retailing traditionally had something of a 'beer and fags' image. And more importantly still, airport retailing was also viewed as being poor value for money (Mayer, 1993; Newman et al, 1994). Moreover, whilst the airports, railway stations and service stations have historically had difficulties in promoting themselves as sites of consumption, the hospitals had, until recently, virtually no experiences at all in this field.

The landlords and retailers at these sites have recognised the problems associated with establishing successful retailing in these non-traditional retail locations. The question for them, and this chapter, is how are these non-traditional retail locations turned into

[4] Michael Cole is the Media Officer for Harrods.

shopping locations? In the interviews undertaken with landlords, retailers, specialists and consumers for this research, four key issues recurred as fundamental in explaining the actions of the consumers and their propensity to consume in airports, railway stations, hospitals and service stations. First, issues of design and the integration of retailing into these locations were considered as crucial in the development of retailing. Second, generating consumer confidence through creating a sense of shopping place within the sites is important in developing them as 'shopping places'. Third, issues of time are understood to have an impact upon people's actions within these sites and their use of shops. And finally, the characteristics of the consumers in these sites are considered. Emotional and psychological factors, when combined with the issues of design, sense of place and time are considered to play a significant, even crucial, role in the success of retailing in these locations. Moreover, the management of these issues is argued to be key to the future of retailing in these locations and to understanding why they have been successful to date.

Whilst these four issues will be examined separately, they interact in a way that collectively creates shopping places within airports, railway stations, hospitals and service stations. It is also noted that whilst an understanding of these four issues is undoubtedly beneficial in the management of retailing in these locations, in each location the balance is different, and as such, there is no simple recipe for retail success. Each of the four issues outlined above are also contradictory, and they pose new problems which can reduce the effectiveness of these locations as sites for consumption. These contradictions are outlined to demonstrate the challenges at the heart of establishing retailing in new locations.

By examining the retail environments at airports, railway stations, hospitals and service stations in this manner this thesis acknowledges the centrality of consumers and consumption, whilst avoiding the partiality and dichotomy associated with much previous work on consumption. Several authors have argued that accounts of consumption have

polarised consumers as either 'sovereigns' or 'dupes' (Fine and Leopold, 1993; Bowlby, 1993). Rather than focusing on the retail landscape from the point of landlords, retailers or consumers, this chapter aims to understand the development of these sites from all perspectives incorporating the role played by each.

The design and integration of retailing

The influence of the built environment on behaviour

> Retailing is coming to govern the design of new transport termini and motoring stops in the UK. Slowly, they are being turned into destinations in their own right: shopping centres with planes or trains round the back, or supermarkets with dry cleaners, a café and, oh yes, some petrol pumps, too (Evamy, 1996, 8).

Whilst it is clear that retailing is becoming more prevalent in the locations studied in this thesis, in order to understand how these sites have become successful as retail locations it is necessary to understand the ways in which the design and incorporation of retailing into these sites can maximise the commercial revenue obtained. It is argued that human behaviour can be guided or shaped by the built environment. Buildings, and more specifically, environments within them, create certain expectations and thus shape behaviour (Bitner, 1990; 1992; Newman et al, 1994; Clarke and Schmidt, 1995). Whilst the work of Bitner addresses service environments, such as banks, the same notion is developed by Goss when examining retail environments, such as shopping malls:

> Developers and designers of the retail built environment exploit the power of place and an intuitive understanding of the structuration of space to facilitate consumption and thus the realisation of profits (1993, 18).

Thus, it is argued that the amount of money people spend at these sites is influenced by their physical appearance and layout (Oppewal, et al, 1997). Furthermore, it is argued that the actions of consumers, and the amount they spend is not only influenced by the overall retail environment, such as the design of the mall, but is also a function of the design of the individual stores. Indeed, it is argued that the focus of the retailers and the deployment of their capital has in recent years has been concentrated on shaping and

constructing the store organisation and layout in a way that increases the intensity and extent of consumption (Ducatel and Blomley, 1990).

What is significant for this thesis is that these ideas have been transplanted from the high street and the mall to non-traditional retail locations at airports, railway stations, hospitals and service stations. That is to say, the design and layout of the shops within airports, railway stations, hospitals and service stations is now seen as being crucial in determining the total commercial income generated (see for example Doganis, 1992). This attitude is only a recent development within the sites studied in this thesis and, consequently, retailing has often been poorly integrated into these locations. One reason for this poor integration of retail has been put down to the fact that the architectural design of sites such as airports, railway stations, hospitals and even service stations is a very specialised business. As Frank Gray[5], a retail concession planner, explained during interview:

> *It is a very specialised business, with all the piers and baggage reclaim and all these issues are very complicated. Most retail architects have no comprehension of that and the problem is that the airport takes a huge risk if they get in a retail architect, can they design an airport terminal? So the problem is that they get a good airport architect and then as far as possible try and fit the retail in.* (Interview, 10/12/96).

This has led to airports being architecturally, rather than retail, driven, as John Harrison explained during interview:

> *The problem is that many airports authorities are hostages to their own architects. Many authorities don't realise what it is they are buying from the architects. There are some amazing architectural practices, whose arrogance you just would not believe but also their ability to push through monolithic solutions that are not going to work for retailers.* (Interview, 18/11/96).

These architecturally-driven practices have even led to some contemporary airport terminals being designed in the traditional functional manner, failing to integrate retailing

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[5] Frank Gray is the Director of Consultancy at Cooke Neil Associates and is an expert on the design of airports and the incorporation of commercial facilities within them. He was formerly Marketing Manager of BAA and Assistant Director at Houston Intercontinental Airport in Texas. He has also been the Airport Retail Editor of ACI Airport Business Magazine.

and commercial activities into the design. Terminal 2B at Paris Charles de Gaulle airport, and Stanstead Airport, for example, are both seen as wonderful architectural statements which exhibit a monumental appearance and a grandiose outset to the journey (Newman et al, 1994). Stanstead airport, which was designed from new, presented the perfect opportunity to create an environment in which retail and other commercial activities were fully integrated into the overall building design. Instead of this integrated approach, however, the building was designed as a statement for BAA (the privatised British Airports Authority) reflecting the origins of the company, when it operated from tents in fields. In the eyes of the concession planners this "awesome architecture" has resulted in the poor integration of retailing at the site. The consequences of this architecturally-driven approach are outlined by Frank Gray:

> Most architects are given too much freedom in designing terminals. Too few of them are prepared to give proper emphasis to retail activities (the biggest generator of concession revenue at most airports) and the result is significant revenue loss for the entire life of the building (1995, 4).

However, as argued in Chapter Three, commercial activities and a commercial attitude have come to take a more prominent role in the operation of airports, railway stations, hospitals and service stations. One outcome of this commercial philosophy has been the development of retailing in these sites to the extent that in many of them it is now one of their most prominent features both physically and financially. As a consequence, at the airports, there has been a fundamental shift away from what has been described as the "traditional airport approach" which led to many airports being designed with regard to operational flows, and the movement of passengers through the terminals onto the planes. This operational emphasis remains at many existing older terminal buildings and seriously compromises their commercial viability, as such terminals find it difficult to exploit commercial opportunities, as Doganis explains:

> In the traditional model the terminal is organised to move passengers through to a boarding gate or lounge with simple and direct flows with little conflict or interruption...It is possible to walk from the entry doors of some terminals to the aircraft without directly passing a shop, a service counter or a catering outlet (1992, 139).

In contrast to this traditional approach, a commercial approach has recently been fostered by many airports. The aim is to maximise customer satisfaction and commercial revenue by considering the commercial aspects of the airport, and retailing in particular, as an integral part of airports and their design (Hodgetts, 1995; Doganis, 1992; Schwarz, 1995; Thomas-Eberson, 1997). This shift in attitude is outlined by Hodgetts:

> To become truly commercial, airports must make sure shopping is viewed as a critical service provision and integrated into the building and its operation (Hodgetts, 1995, 4).

This notion that retailing is a core function of the commercial airport was also emphasised by Stephen Embly[6] during interview:

> *In the past, until recently, retail was an after thought, something that was bolted on. Whereas now in most terminals it is one of the first things that comes into the equation in determining whether it is going to be economically viable to develop the airport, how it is going to pay itself back, how it is going to contribute to the actual business and so in that respect it has become a fundamental part of airports.* (Interview, 15/11/96).

Such commercial attitudes has have a crucial impact on the design and layout of airports, railway stations, hospitals and service stations, as Doganis demonstrates when examining airports:

> As far as passenger terminals are concerned it is crucially important to approach their design and layout with the intention of facilitating the maximisation of commercial revenues (1992, 142).

In many ways, the integration of retailing into the infrastructure of these locations has brought them closer to traditional shopping malls in design (see Figure 6.1), as Frank Gray stated during interview:

> *Now an architect would walk in there and say its a bloody retail mall, its supposed to be a terminal building. Of course the retail designer says its a lovely terminal building with great retailing in it, that's the way it should be and it works. It doesn't disturb the function of the site, its obvious where you are, you are in the retail part of a terminal building. But in the old*

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[6] Stephen Embley is a director at Aukett Associates, who are responsible for developing new retail concepts and implementing these for a range of leading retailers including Sainsbury's, Marks and Spencer, Tesco, ASDA and Virgin. In the transportation sector Aukett Associates are involved in a range of airport and railway projects including landside and airside developments at Manchester, Heathrow and Gatwick, as well as the refurbishment of Paddington station.

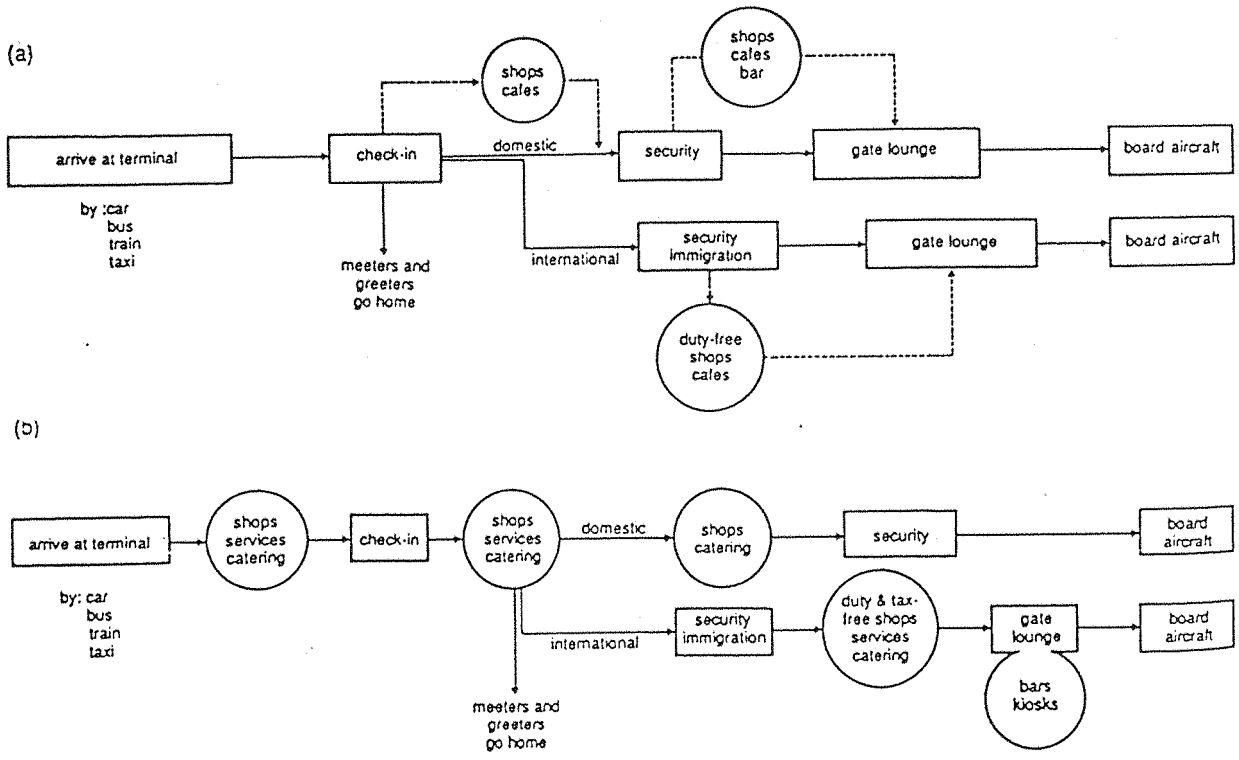
approach the architect wants you to be in an architecturally designed terminal building which happens to have retail in it. (Interview, 10/12/96).

Figure 6.1 Shopping mall? No an airport terminal!

Source: BAA retail report (1995)

This focus on incorporating the retailing into the building, rather than viewing it as a bolt-on accessory has a major impact upon the internal geography of any location. In order to maximise the commercial revenue and the success of the retailing in these locations, the retail outlets need to be situated in places where the users will come into contact with them most often (Doganis, 1992; Hodgetts, 1995; Humphries, 1996; for an example of this at the Airports, see Figure 6.2). In the commercial approach to airport design, illustrated in part (b) of Figure 6.2, the travellers come into direct contact with retailing on three or four occasions, whether they want to or not. This contrasts starkly with the traditional approach, (illustrated in part (a) of Figure 6.2) which requires the traveller to seek out the shops.

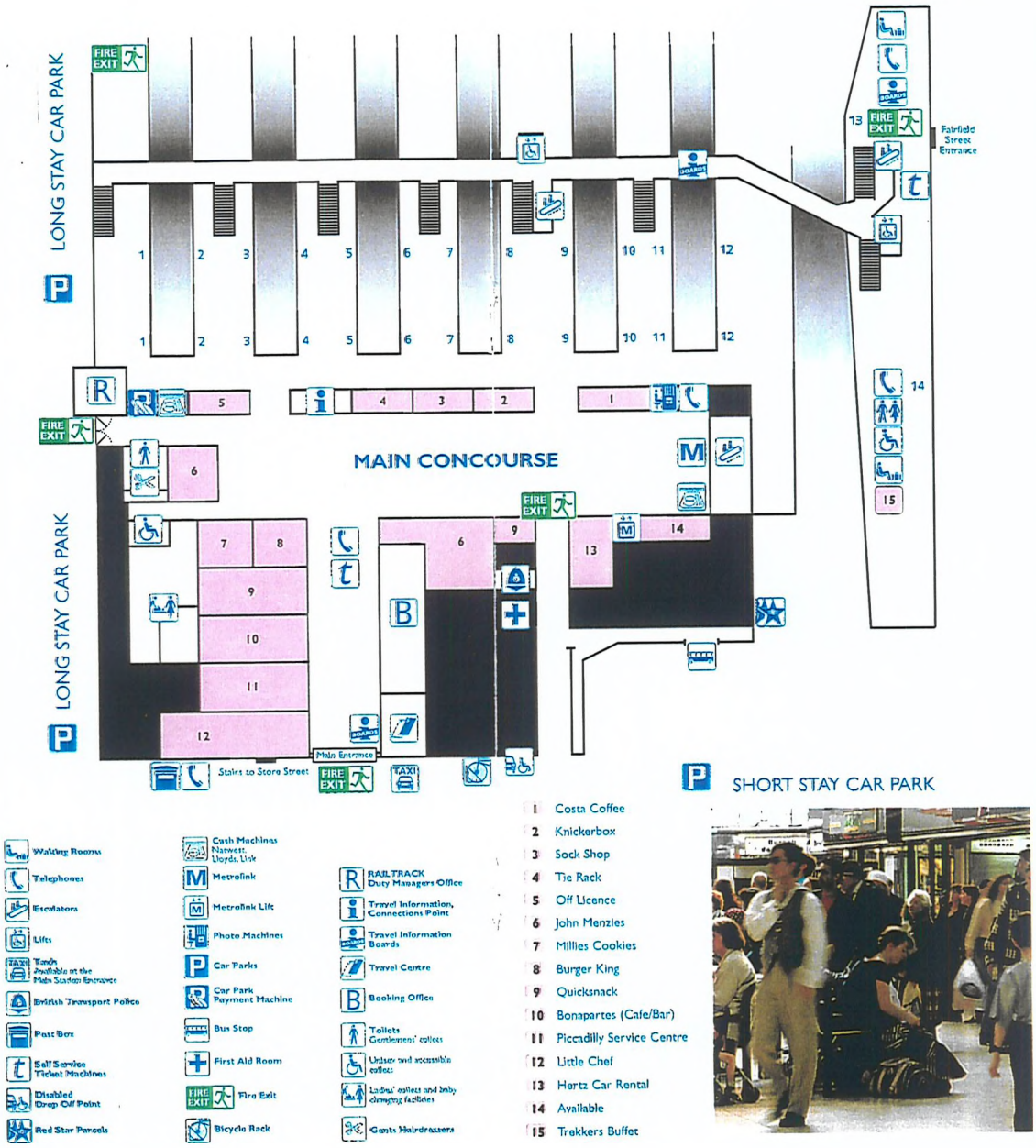
Figure 6.2 Airport design: a) traditional approach; b) commercial approach



Source: Doganis (1992)

The commercial approach to the overall design can also be witnessed when examining railway stations, hospitals and service stations. Manchester Piccadilly railway station, for example, is designed to facilitate the flow of rail passengers through the terminal's main entrance, to the ticket office and then on through the main concourse and on to the trains, ensuring that they are exposed to a mini mall of shops. It is impossible to reach the trains without passing the shopping facilities first (see Figure 6.3). Liverpool Street station in London has also benefited from a more commercial approach to its retailing. The concourse has been cleared of ad hoc kiosks and vendors, and these have been replaced with an award winning reconstruction of galleried stores and services in purpose built units (see Figure 6.4).

Figure 6.3 Mini shopping mall - Manchester Piccadilly



Source: Railtrack station guide

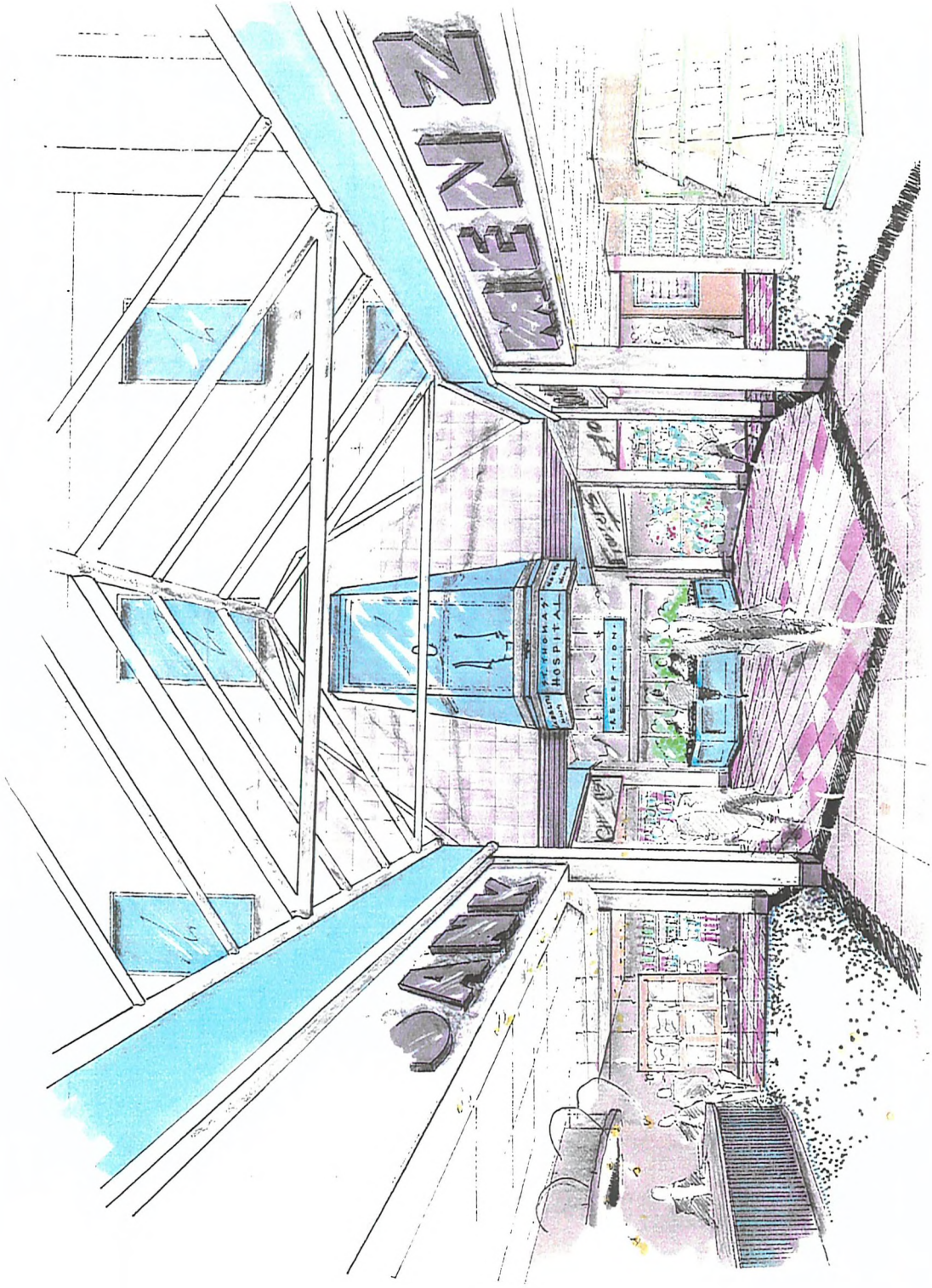
Figure 6.4 Award winning retail design: London Liverpool Street station

Source: Author

Similarly, when St Thomas's Hospital, London, was redesigned, retail facilities were located in one new main entrance, which was created between two existing wings of the hospital rather than tacked on to the existing building design. The new entrance is now the main entry to the whole complex and incorporates several retail units which visitors and staff have to pass to access the main information desk and the main thoroughfares of the hospital (Figure 6.5). Positioning the commercial facilities along the main channels of population flow encourages impulse shopping at these locations, as Frank Gray stated during interview:

> *The one thing you have to bear in mind about airport retailing, the problem is that airport retailing is impulse. The reason that people go to the airport primarily, other than a few people who go landside, is not to go shopping. The reason people go to a shopping mall on Saturday is to buy. So you are dealing with a customer whose primary focus is not shopping. The only way they will buy is if you put things that are attractive and relevant in the right position.* (Interview, 10/12/96).

Figure 6.5 Retail therapy? The main entrance St Thomas'' hospital



Source: St Thomas' Hospital

In the service stations a modular volumetric approach has been introduced which allows varying combinations of store size and services to meet local conditions and optimise the use of the sites (Finch, 1991). Furthermore, sites are now being purchased with a view to their commercial expansion, as Clive Head of Mobil explained during interview:

> *What they're saying now is sure we sell fuel and we'll always sell fuel but how can we optimise our real estate in this particular area, and also have we got it designed properly to optimise it...you have to multi plan design it and be flexible to respond to the local environment.* (Interview, 3/8/95).

As noted earlier, design is also important in determining the amount of money that consumers spend in each service station. Just as impulse buying is key to airport consumption, so too, the position of goods and the shelving of the service stations can affect sales due to impulse. Again, if the retail element of the site can be bypassed whilst paying for fuel (the core function of the site) then retailing will be much less successful than if the products are placed in the path of the fuel customer (Finch, 1991). Thus, in the individual stores, the skilful use of lighting and directed flooring forces the consumers past as many products as possible in a way that means "the built environment is physically persuasive and coercive" (Goss, 1993, 31; Ducatel and Blomley, 1990). This certainly appears to be the policy of some of the most recently built service stations, in which the retailing and particularly fast food outlets, are the key visual elements of the store (see Figure 6.6).

Figure 6.6 Filling station! Retail positioning in the service station

Source: Author

However, while the spatial design of the airports, railway stations, hospitals and service stations plays a crucial role in provoking potential consumers to shop, designers manipulate the way in which potential consumers are 'captive' within the retail environment at these sites, sometimes for a few seconds, when the driver is paying for fuel, or for a few hours, when waiting to catch a plane. As Goss notes when discussing the professional design literature:

> In this professional literature, the consumer is characterised as an object to be mechanically manipulated - to be drawn, pulled, pushed, and led to flow magnets, anchors, generators, and attractions; or as naive dupe to be deceived, persuaded, induced, tempted, and seduced by ploys, ruses, tricks, strategies and games of the design. Adopting a relatively vulgar psychogeography, designers seek to environmentally condition emotional and behavioural response from those whom they see as their malleable customers (1993, 30).

The possible manipulation of customers is recognised as a potential weakness of retailing in these locations and this is particularly pertinent at some sites, as Frank Gray noted when discussing the redevelopment of the airports:

> *One of the areas where arguably they lose credibility is that they seem to put retail on every square foot of space, which for lots of people, well rankles a little bit. They say I can't find a seat but I can find ten shops...Terminal Four [Heathrow] is wrong because they have put retail everywhere, in my view to the detriment of passenger service. You can't move around without bumping into a shop and you can't see the gates properly.* (Interview, 10/12/96)

Consumer captivity can also lead unscrupulous retailers and landlords to overcharge for inferior goods (a charge levelled at most of the sites studied) as Hodgetts (1995, 3) notes:

> If customers are seen as captive and passive then their needs are underestimated. The feeling any old offer will do encourages exploitation, concentration and a failure to proliferate offers to match customers real needs.

Of course, many consumers realise that they are 'captive' within these locations, and they recognise the ploys of the designers, as one customer interviewed at an airport explained:

> *I don't think you can avoid the shops, no. The way the escalators are positioned, they are not positioned towards departures, so that you see the shops. That's all the design isn't it?* (Consumer interview, summer 1997).

The retailers and landlords also recognise the problems of designing these sites in a way that manipulates consumers, as Ian Cheshire[7] of Sears outlined during interview:

> *I think the big issue...is people realise they are captive and there is an explicit element of resentment, the bastards have got me here and there is sod all I can do about it.* (Interview, 8/9/95)

However, Hodgetts (1995, 4) argues that when passengers resent being captive they can chose not to spend:

> Passengers are not passively captive, they resent exploitation and can easily choose not to spend.

Furthermore, this is supported by the consumers. At Heathrow, one passenger said:

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[7] Ian Cheshire is group strategy director of the Sears group and the Chairman of Thomas Pink.

> *In Heathrow it's almost as if you are being forced into shopping and you know you always shy away from something you are being forced to do.* (Consumer interview, summer 1997).

Thus, whilst the 'captivity' of consumers in these locations presents the retailers and landlords with the opportunity to entice potential customers into their shops through the skilful use of design, exploitation and conceiving the consumers as dupes can adversely affect users' propensity to consume in these locations. The evidence presented here, therefore, concurs with the arguments of Jackson and Holbrook (1995; also Holbrook and Jackson, 1996), demonstrating that consumers are active, knowing subjects, who can not be simply manipulated. However, it also demonstrates that the corporate strategists recognise this and aim to avoid such crude manipulation by being more customer focused.

The propensity of people to consume can also be affected by the scale of airports, railway stations and hospitals. These locations are large, and sometimes disorienting places, and this complexity can cause people to lose their way and feel lost, causing them to feel alarmed (that they might miss flights, trains, appointments or get lost) (Newman et al 1996). In turn, this sense of scale can affect people's propensity to consume as people are more likely to relax and shop if they know where they are and where they are going (Doganis, 1992).

Creating a sense of place and the role of brands in consumer confidence

Although it has been argued that the commercial awareness of the landlords of the sites studied in this thesis has led to a better integration of retailing in these locations, designers and landlords recognise that a behaviouralist approach to design and integration alone will not maximise revenues in these locations. The generation of consumer confidence in shopping in these non-traditional places is also considered as a key issue in the growth of retailing in airports, railway stations, hospitals and service stations, and the maximisation of retail revenue in them. This section examines the growth of specialist

and branded retailing at these sites, focusing on the ways in which these developments shape people's perceptions of the retailing on offer, and the consumer confidence they create.

As argued above, one of the main problems traditionally associated with retailing at the sites studied in this thesis was poor customer perception of retailing in them. The key to changing these perceptions of retailing was to understand customer expectations, match or improve upon these and so establish positive perceptions of the shopping on offer (Hodgetts, 1995). Indeed, the widespread adoption of retailing at the major airports, railway stations, hospitals and virtually every service station, suggests that this work has been very successful. Table 6.3 demonstrates that nearly 70% of those questioned in a survey of users said that they expected shops in these non-traditional locations.

Table 6.3 Respondents' answers to the question: 'Do you expect shops in this location?'

	Count	Percentage
Yes	332	69.3
No	146	30.5
Don't know	1	0.2
Total	479	

Source: Consumer survey.

Customers expect retailing in these locations, but for retailers to maximise their revenue, the individual stores at these locations need to match (and exceed) customers' expectations. If they do, it is argued that they will induce customers to consume, spending more when they do (Doganis, 1992). In the airports, railway stations, hospitals and service stations the presence of specialist retailers and the introduction of "high street" branded retailers can be seen as central to matching and exceeding customer expectations, and therefore, the growth in customer confidence in retailing at these locations.

Originally, retailing in airports, railway stations, hospitals and service stations was a limited, secondary activity. In airports there were single duty-free stores covering a broad range of product categories; in railways, a kiosk with a roll up shutter would sell newspapers; hospitals usually had a League of Friends tea shop; and many service stations merely sold oil, car accessories and a limited range of snacks. Not surprisingly, customers had low expectations of retailing at such locations. However, as retailing has changed , customers now have greater expectations of what should be on offer both in terms of the range and the quality of the products available in these locations. By recognising and responding to heightened customer expectations, the landlords expanded specialist retailing at these sites, which in turn, has cemented customers' confidence in the quality and breadth of choice available (Humphries, 1996; Kirkpatrick, 1994). In the airports this demand for greater quality has led to the original duty free stores being split from a single cover-all store into many individual retailers specialising in particular products. Similarly, the railway stations, hospitals and service stations have expanded their range of stores to provide a more demanding customer with more specialist and better quality shops.

External factors have added to the pressure to change and improve the retailing on offer at these locations. For the service stations in particular, the upsurge of direct competition from traditional convenience store operators and supermarket giants has meant that forecourt retailing has had to become much more sophisticated, more complete, professional and attractive to customers wanting convenience stores (Woudhuysen, 1991). The railway stations and hospitals also face such pressures as it is too easy for potential customers to fulfil their needs elsewhere (for example at a service station, or on the local high street) if the retailing is not up to the standards expected.

Direct competitive pressures are not so great at the airports due to their relatively isolated position, although their customers do always have the freedom not to shop at the airport and to wait until they reach the end of their journey. Whilst the airports do not face

such competitive pressures as the other locations, the proposed changes in duty free legislation due to come into force in June 1999 pose a major threat to their retail income. If the proposals are introduced it would result in the end of the duty-free trade between member states of the European Union[8]. This would entail a considerable loss of retail revenue to a large number of the airports whose main routes are to and from Continental Europe. However, the expansion of specialist retailers (as opposed to traditional duty free operators) in airports is seen as one strategy to combat this loss, as these specialists trade less on issues of price and more on their quality (Chesterton, 1993; Humphries, 1996). It is envisaged that the focus of airport retailing will shift away from the traditional duty free goods towards gift items, which are a key component of the specialist retailers and an area that has been growing in recent years (Humphries, 1996).

The development of specialist retailers in airports, railway stations, hospitals and service stations can be divided into two main approaches. First, there has been the use of a generic format in which the retailer is not branded. Examples of this can be seen in the current Shell Select format and Schipol, Amsterdam, airport's airside mall. Second, an alternative approach has been the use of branded "high street" specialist retailers, where the retailers operate under their own brand names. Examples of this approach can be seen at all of the types of site studied in this thesis. At the airports branded retailers include Harrods, Sock Shop, Boots, McDonald's and WH Smith and in the service stations oil companies such as Texaco and BP have teamed up with brand names such as Dunkin' Donuts, McDonald's, Pizza Hut and Safeways. The railway stations seem to be following the example of the airports, with retailers including Sock Shop, Boots and WH Smith amongst others, while the hospitals have recently witnessed the introduction of high street brands such as Boots and Burger King.

[8] Duty free still represents the largest single sector of retail revenue at most airports. Consequently, its loss represents a major driving force in the industry to expand retail in non duty-free specialists.

Historically, many airports, railway stations, hospitals and service stations have developed generic retailing formats, using in-house facias and retail formats. Retailers had little say in the design and layout of these stores and often a uniform and 'bland' generic format was the result (Thomas-Emberson, 1997). An example of this was BAA's 'Skyshop', selling books and newspapers. This generic format was used even though the shops were not being run directly by BAA but were contracted out to WH Smith, amongst others (Doganis, 1992). In the first phase of the development of retailing at service stations, hospitals and railway stations a similar generic approach was witnessed, with the railways using formats such as 'Travellers Fare' across the British Rail network. The service stations also opted to use a generic format, with the store often incorporating the oil company name, as in 'Shell Select', 'Mobil Mart' and 'BP Express'. However, the oil companies took a different approach from the other sites, in that they also ran the stores in-house, rather than contracting them out to specialist retailers.

The reasoning behind the initial use of generic formats at the airports is largely to do with the large numbers of international passengers who use these locations. For those airports with large numbers of international travellers, the use of brands and particularly, national brands, was not seen as useful as they may not be recognised (Humphries, 1996). The example of the national (UK) chemist Boots demonstrates this clearly. To a UK consumer Boots is meaningful, whereas to a foreign traveller the name Boots may lead them to believe that the store sells boots, as opposed to being a pharmacy. However, the use of generic formats has been criticised as anonymous, presenting the potential consumers with little information about the nature of the stores, thus limiting consumer confidence in the products sold, sales, and ultimately, limiting the profit generated. This argument is extended to the wholly domestic environments of the railway stations, hospitals and service stations where the generic formats are considered as less attractive than their branded counterparts. In the early days of retailing at these locations a generic approach may have been necessary because the sites were not considered as attractive propositions for all but a few high street brands, but in recent years this position has

shifted dramatically. The benefits of branded formats and their potential to maximise retail revenues is now seen as more advantageous than the continued use of generic formats. This is equally the case in the airports where the branded stores (particularly international brands) have replaced the generic format in most UK airports, and they are even being introduced into sites such as Schipol where the generic approach was previously dominant (Doganis, 1992; Humphries, 1996).

Consumers in the sites studied in this thesis have become more selective and discerning in terms of the retailers they will buy from (Newman et al, 1994). Such selectivity and discernment on the part of the consumers entails that a similarly discerning and selective approach is necessary from the landlords when choosing the retailers to operate at these locations. The landlords have thus called upon the expertise of branded retailers, retailers which are "...distinctive by [their] positioning relative to the competition and by [their] personality" (Connellan, 1995, 10) to reassure demanding consumers. Branded retailers convey messages of quality and familiarity to the users of these sites and therefore have the ability to turn these traditionally non-retail environments into recognisable places of consumption.

Branded retailers are recognised by the landlords as having a track record of success and they thus give confidence to those who consume. Furthermore, these branded operators provide the landlords with confidence in terms of the shop fit, products and staff. During an interview Tim Cronin[9] acknowledged these benefits when discussing the replacement of an unbranded store by John Menzies at Southampton General hospital:

> *We didn't get Menzies in originally, the developer actually had a shop called Holly's and it wasn't such a high standard. Now they probably suffered because they had to develop a name and fit it out and they ran it themselves. The standard wasn't that good in terms of the attitude of the staff and the layout was quite poor and the general quality was quite poor. Menzies have changed it beyond recognition. Obviously they have the money, but they also*

[9] Tim Cronin is the commercial manager at Southampton General Hospital.

> *have the organisation behind it as well, the experience, they have got the national organisation and marketing people and training people, sales people.* (Interview, 11/8/95).

Such branded national and international retailers are of value to these non-traditional retail sites because they also help to overcome precarious consumer confidence in retailing at these locations, which in turn leads to greater retail income. Indeed, in my survey of consumers at these locations, nearly 80% said that the presence of branded retailers gave them confidence in the retailing and the products being sold (see Table 6.4).

Table 6.4 Respondents answers to the question 'How do brands affect your shopping behaviour in this location?'

	Count	Percentage
Brands are too expensive	34	9.0
They give me confidence in the product	382	79.7
I know what I am getting	306	63.9
I only buy brands	10	2.0
They are better quality	137	28.6

N.B. Respondents were able to give more than one answer.
Source: Consumer survey.

It is argued by others that the presence of quality branded retailers gives consumers confidence because they offset the possible concerns that there might be a better quality, range or priced product elsewhere (Humphries, 1996), as outlined by Steve Hodgetts[10] of Birmingham International Airport during interview:

> *What they are looking for is confidence to spend and what drives the UK market in terms of confidence is undoubtedly high street branding. High street branding with the main multiples from the high street and people expect to see them, they know what the brand stands for, it is a shorthand. You don't have to explain that you are about price and position, you walk in and you see Dorothy Perkins or Sock Shop or Tie Rack and you know exactly what you are getting. So they are a useful shorthand for customers.* (Interview, 13/12/96).

[10] Steve Hodgetts is the Market Development Manager-Commercial at Birmingham International Airport Plc. He is part of a team responsible for the commercial facilities at the airport at both operational and strategic levels.

Thus, the retailers give signals to the potential consumers, that help them "...to categorise, or make inferences about, the products and services offered by retailers"[11] (Newman et al 1992, see also Bitner, 1992).

As argued earlier in this chapter, the notion that the built environment has an affect on the propensity of consumers to consume is supported by the work of Bitner (1992) and Newman et al (1994). Newman and his co-authors argue that store image is a highly significant part of the built environment considered by the consumers. The recognition by the landlords that store image and brand image affects consumer behaviour has led many of them to focus on the branded route when developing retailing in their sites, rejecting the older generic approach. Mark Melvin[12] of Texaco outlined this philosophy during interview:

> *It's all about the quality brands and I would not buy a Shell burger if I could buy a McDonald's burger...Five or six years ago you'd have got food poisoning from a sandwich in a petrol station. Nobody bought food from a petrol station then, and now here we are saying oh we'll cook it here for you, its a fresh product and boy does it taste good, it smells great and tastes great. The whole perception has changed and that's because we really pushed into getting Pizza Hut. That's the value of their brand, we couldn't do that with Texaco pizza or a Tex burger.* (Interview, 23/8/95).

Branded retail outlets in airports, railway stations, hospitals and service stations are therefore seen as providing a shorthand to potential consumers in a way that gives them confidence in the quality of what is offered.

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[11] Whilst it is argued here that the branded retailers help to create a sense of (shopping) place in these locations, it is important to acknowledge that signs and signals are nothing if they are not read, 'decoded' and understood. It is therefore argued that the creation of a sense of (shopping) place in these locations, and consequently consumption within them, involves a labour on the part of the consumers as Bourdieu (1984, 100) notes:

> ...the consumption of goods no doubt always presupposes a labour of appropriation, to different degrees, depending on the goods and the consumer; or, more precisely, that the consumer helps to produce the product he consumes, by a labour of identification and decoding.

The way in which this identification and decoding are undertaken by the consumer have been expanded upon elsewhere (see MacCannell, 1976 and Boorstin, 1961). In these texts it is argued that there is a relationship between the signifier (in this case a retail brand, logo or trade mark) and the signified (the store, its products and values). Furthermore, it is argued that in this age of global media, the stock of imagery and signs that the consumer can identify and therefore, decode and consume has expanded vastly (Goss, 1993).

[12] Mark Melvin is manager of retail operations at Texaco.

A further value of branded retailing in these non-traditional retail environments is their familiarity to the potential consumers. Such familiarity, it is argued, goes a long way to explaining why people using the sites examined here for their core functions will actually shop in them, when this is not what they have gone there for. Jones and Simmons (1990, 107) note that the consumers' knowledge of retailers is due to the "...accumulation of past shopping experiences, often built up over many years. It includes memories of visits to stores and an impression of their product mix...". These past experiences of brands[13] are crucial when considering how people respond to the retail environments within airports, railway stations, hospitals and service stations. With a prior knowledge of retailers through their brand image, consumers are at ease and they understand the shopping place which they are in, even if they have not been there before (Porter, 1997).

It is therefore argued that brands are one of the simplest and most effective ways of communicating with the people who are using the sites addressed in this thesis. As Connellan (1995, 11) notes, "a strong brand, particularly a strong international brand, says things to the passenger instantaneously". The recognition of brands and the bricolage of their mobile signs and signifiers indicates that this is a particular (shopping) place with particular values (in terms of price, quality and in some cases morality) without the actual process of shopping or previous experience of the site being required. This last point is important when we acknowledge that it is not always the objects being consumed that count in the act of consumption but rather generating a sense of place as a shopping location (Morris, 1988).

[13] Experience of brands does not necessarily entail that consumers have previously come into contact with the stores or products associated with those brands. Rather, it is argued that experience is also gained through images and messages presented in the media.

The ability of these non-traditional retail locations to communicate that they are shopping places in a way that is familiar to the consumers, reassures them sufficiently to engender impulse consumption. This is vital because impulse shopping is seen to form a major and growing portion of the retail sales in these locations (Humphries, 1996) and the use of branded retailers is a deliberate policy to expand the size of this market, as Doganis notes:

> ...people are more likely to make impulse purchases in stores whose name they know and in which they feel comfortable both with the style and the pitch of the products and also with the prices and the value for money being offered (1992, 148).

However, it is not only the impulse sales that increase with the recognition of brands, pre-planned sales are also affected. In these cases consumers have already decided to buy particular products knowing that their requirements can be met in these sites. Clements noted this pre-planned tendency in relation to branded food at service stations and argued that it is a factor that would make them a destination in their own right:

> ...today branded fast food is the key to gas station success...People will make the gas station store a point of destination if there is a national branded fast food on offer in the same location. This is because people go for familiarity (1996, 17).

This sentiment is confirmed by Mark Melvin of Texaco when he said during interview:

> *...we are gonna put KFC and Pizza Hut inside the same building, that will become a destination for people, not just a drive past, not just a convenience...they will plan to go there.* (Interview, 23/8/95).

Similarly in the airports, creating a destination out of terminal retailing is now seen as important to building retail sales at these sites. Kelly and Embley (1995, 18) illustrate how the essential brand values discussed above are integral to building up the image of airport retailing as a destination for consumers to visit:

> Influencing behaviour prior to arrival at an airport by marketing with distinctive imagery, triggering motivations for spending, relevant promotions with reassurance about value for money and product availability is being emphasised alongside building the personality of the shopping experience.

The notion that retailing can help build the 'personality' of these locations demonstrates that the value of retailing and particularly brands, to the locations studied in

this thesis, does not stop at the cash registers. As all of the sites are part of the service sector, their image is crucial to their corporate success in the long term. The retail image can help boost the overall image of the site, benefiting their core function as well, as Ian Williams[14] of St Thomas' hospital explained during interview:

> *The opinion that the patient or customer will form will be on first contact. They may get excellent service from the clinicians, they may get their appointment on time, they may go through and have excellent service, but if the hospital is looking run down and drab, they have got a perception in mind that it was an awful place. If you get the surroundings right then basically it is a good start, and you can even fall down on some of the basic clinical services and they may still have a good opinion formed in their mind and that is what is important about that [retail] area down there.*
> (Interview, 9/8/95).

This notion that the retail image of these locations is an important component of the overall image of the sites was supported by all the landlords interviewed for this thesis. Indeed, some of them saw the retail image as being a key component of the overall image they wish to project, as forward looking, professional, high quality, service providers. This process of image projection is a further area where branded retailers can aid the sites because they lend what Bob Hill, the Director of Property at Railtrack, terms "borrowed authority" which enhances a station's image. This is a view supported by Steve Hodgetts of Birmingham International Airport who outlined the added value of top quality retail partners during interview:

> *I think one of the best things that happens is not only does retailing drive a lot of change in the way that airports are perceived and thought of but also, if you get the best retailers on board it brings a quality into an organisation [the airport authority] in a way that is often not perceived...I can tell you it is not just the money they generate, it's the quality, it's the customer satisfaction, those are issues people choose not to credit retailing with.*
> (Interview, 13/12/96).

Furthermore, customer loyalty can be built up through the use of branded retail partners in the sites studied in this thesis, though most significantly in the service stations, where the frequency of visits is greatest. As Steve Hodgetts outlined:

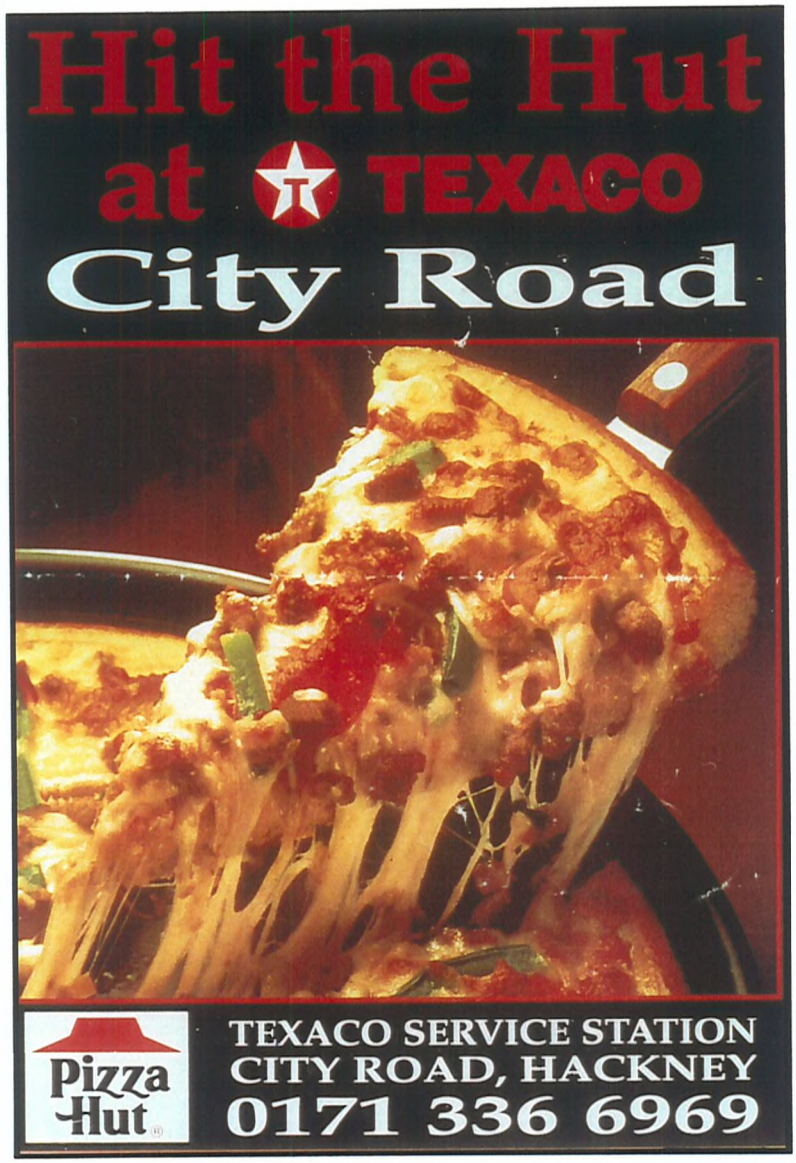
> *What it will do is add value to their experience there. If Texaco service stations always have a McDonald's attached to them then they will get a*

[14] Ian Williams is the marketing and commercial development manager at St Thomas' hospital London.

> *brand loyalty as they move throughout the UK. They will see there's a Texaco, therefore it has Texaco plus x and y and that again is about brand confidence more than loyalty particularly. Yet again the airports can build on that expectation and become synonymous with the quality of the brands within them...*
> (Interview, 13/12/96).

Such is the strength of this synergy and added value that the brand names now share the pylon sites advertising the service stations. According to Clive Head of Mobil, these advertising sites were previously seen by the oil companies as sacred. But it is now recognised that the retail brands help generate volume on the forecourts and boost fuel sales, consequently, retail brands have been given joint star billing with the oil company name. Furthermore, airports, railway stations and service stations now place a clear emphasis on the branded retailers and the retail offers available in their sites when advertising (see Figure 6.7).

Figure 6.7 An example of using branded retailing to advertise a service station



Source: Texaco advert

The global village: a homogenous mass (of retailers)?

The seemingly inexorable move towards the utilisation of branded retailers at sites such as airports, railway stations, hospitals and service stations, and their role in creating the retail identity of these places also, generates a major problem for them. Just as they are using the brands, and retailing in general, to produce a sense of shopping place within them, so the use of brands destroys the sense of these places as individual and distinct,

places. The presence of branded retailers within these locations can lead to them becoming repetitive and boring, failing to provide any local flavour due to the dominance of national and international brands. Consequently, it is argued that if the use of brands, and especially international brands, becomes too commonplace then the opportunity for providing a unique environment, particular to the location or country, disappears (Inkster, 1995). The same is true for the products available. Because of improvements in transportation and refrigeration the product is now 'closer' to the consumer. The very thought of Coca-Cola or McDonald's seems to draw our attention to the interdependence of the world and the way in which time, distance and difference become eroded, leaving us in the situation where there is a homogenisation of everyday life (Boorstin 1961; Featherstone, 1993).[15]

The use of global brands, in providing familiarity and confidence, could lead to many of these sites becoming over familiar and standardised, and thus result in the loss of their individuality for the purposes of marketing, in a similar manner to homogenisation of the shopping mall (Boorstin, 1961; King, 1990; MacCannell, 1976; Sack, 1988; Shields, 1992; Zukin, 1991). In their attempts to create a familiar sense of a shopping place, therefore, the landlords of the sites could be accused of reproducing the "...placeless tone of the indoor malls which form the conventional retail core" (Crewe and Lowe, 1995, 1987). Indeed, locations such as airports, railway stations, hospitals and service stations are said to represent the archetypal 'non-place' (Augé, 1995, see also Crawford, 1992; Jacobs, 1994; Shields, 1992; Sorkin, 1992).[16] This is an issue which retail planners are acutely aware of as Frank Gray explained during interview:

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[15] Whilst I argue that the use of brands in these locations can be seen to lead to the homogenisation of experiences at these sites, this is not to deny that places have multiple meanings and identities (Massey, 1993). Furthermore, it has been argued that the very signs that create the sense of place in these sites do not have fixed meanings, but can be "...appropriated, transformed, adapted [and] treated differently by different individuals, classes, genders [and] ethnic groupings..." (Hebdige, 1988). Therefore the meaning, or sense of place, can be hijacked and re appropriated by 'knowing' or 'ironic' consumers (Shields, 1992a).

[16] It is argued by several authors that the modern world and society is characterised by acceleration. This acceleration, it is argued, has significantly reduced the individuality of places and resulted in what Augé (1995) describes as non-places. Morris (1988a, 6) argues that:

> *...the last thing I want to do is look back when I have retired and say well I did the retail in Rome and Schipol and wherever, and I'm proud to say there is a Burger King, a Body Shop, a Knickerbox, a Tie Rack in all of them. We are trying very hard not to do that. Unfortunately other airports are looking at the BAAs and the Schipols and saying I want that too.* (Interview, 10/12/96)

Consequently, the landlords and retailers are beginning to understand the pitfalls of over familiarity and to recognise the value of a unique sense of place and novelty as a marketing tool. Whilst they are employing brands to reassure customers and to create the feeling that this is a place of consumption, they are beginning to pay greater attention to the 'local' sense of place.

The situation as it stands can therefore be summarised as a move towards including the local in order to stave off the uniformity of global brands, a process that has been termed 'globalised localism' (Thrift, 1994; Crewe and Lowe, 1995). The aim is to create a sense of place that is a combination of both local and global signs, products and strategies, which are consumed on an individual basis. As Sack succinctly puts it "...for the world variety has diminished. For the individual variety has increased" (1988, 660). This transition from the local to the global and back to the local to create a sense of a shopping place is again summarised by Sack (1988, 661) when he says:

> A place is often thought of as a unique set of attributes at a unique location. This is especially so before a place becomes 'commercialised'. Therefore we can expect that when a place 'enters the market', so to speak, it must advertise itself as having generic qualities such as being accessible and having this type of service or that. As places become 'consumed', they lose much of their former uniqueness. Commercialisation makes them appear more like other places. At this point they (like other generic mass-produced products) must differentiate themselves from competing places. This appearance can lead to reinventing something of their past contexts...

Speed undoes places and a succession of pseudo-places reduces the complexity of the environment to hotel chains, motor way restaurants, service stations, airports, shopping centres, underpasses, etc. And indeed for Virilio, speed consumes time, narrative, as well as space: speed is itself a 'non-place'... In the 'accelerated impressionism' of an aesthetics of disappearance, the landscape becomes a blur, a streak, and no sense of place can survive.

This strategy is already becoming a reality in some of the airports, as Frank Gray described during interview:

> *Airports need to think of not just what the customer wants but what they might see as the local flavour, bringing in a bit of the local regional and national flavour into the airport. That's difficult to do in some countries. Holland, apart from flowers and clogs. they haven't got a lot. But if you look at parts of America, Portland Oregon have done it and they have a beautiful little mall which is like a creation of the best of Portland, all the products seen in Portland, local people going on business as well as visitors take a piece of Portland. Airports need to do that, reflect their own culture, and their own local and regional flavour, and if they don't do it we are going to have all the same bloody retailers in all the airports, that's the fear I have.* (Interview, 10/12/96).

One consequence of this recognition of the 'placeless tone' at airports, railway stations, hospitals and service stations has ultimately been the branding of the sites themselves to provide an individual sense of identity within them. As Goss (1993) notes, the creation of an individual identity for retail locations has been developed with respect to shopping malls, and many malls are now designed with a particular 'personality'. Again it appears that the ideas of the mall are transferring to new places of consumption and David Fraser, a Director of Fitch, argues that airports are beginning to brand their overall image in a way that presents the public with a unique identity. Examples of this include Dubai airport, where the personality of the airport focuses on it being the Duty Free capital of the world, and Schipol airport, where the focus is on leisure and entertainment. Such trends look set to continue, with the possibility of a pleasure park and museum of aviation forming a focal feature of Gatwick airport.

Time (to go shopping?)

As discussed in Chapter Five, time, and the lack of it, plays a crucial role in generating the demand for retailing at the sites studied in this thesis. It was argued that the lack of time in peoples' busy lives and the advent of the 24 hour society have led to the growth of retailing in airports, railway stations, hospitals and service stations, and the success of these locations as places of consumption. Here, rather than re-examining the influence of time in generating general demand for retailing, the period of time spent within the sites is

considered as a key factor affecting people's propensity to consume. Time is understood to be of fundamental importance in the decision making process and in shaping the consequent actions of consumers (Bergadaa, 1990).

The time spent in retail locations has a direct bearing on the propensity of people to consume within them. It is argued that as people spend longer in locations, so their spending increases. This is noted with respect to shopping malls, when reviewing the notion of footfall:

> Our surveys show [that] the amount of spending is related directly to the amount of time spent at centres...Anything that can prolong shoppers' visits are in our best interests overall (a senior vice-president of leasing and marketing, quoted in Goss 1993, 22)

The consequence for retailing in airports, railway stations, hospitals and service stations is that their retail revenue is affected by the amount of time people spend in these locations (dwell time). Retailers obviously consider the length of dwell time when they contemplate opening premises at these sites, and consequently, the sites with the longest dwell times are in the best situation to develop the greatest range of retail outlets as they are the most attractive retail locations. This is reflected in the fact that the airports have the broadest retail offer, while the service stations have the smallest range on offer.

Dwell time is short for most of the users of service stations, commuters at railway stations, business travellers at airports and the workers in hospitals. Consequently, the amount of time to 'go shopping' in these locations is restricted, in turn, restricting consumption. In contrast, however, the dwell time for hospital patients, non-business travellers at airports and leisure and long distance rail travellers is comparatively long. At the airports, dwell times can be very long (sometimes greater than 3 hours) and for hospital patients the amount of time spent at the hospital can be considered in days rather than hours. These sites would therefore appear to represent the best locations for retailing with reference to dwell time. For some patients and many air travellers long dwell times

can lead to greater consumption, as shopping is an ideal way to relieve boredom and kill time (Gilchrist, 1994; Newman et al , 1996).

Dwell times at the airports, railway stations and hospitals may be extended by people's anxiety. This anxiety often prompts people to allow longer time periods to cope with bad traffic and other delays but still make their appointment or catch their train or plane, a notion eloquently espoused by A A Gill (1996, 24) with respect to flying:

> I was never cut out for the jet set as I get terrible travel angst, a morbid fear, bordering on psychosis, about missing planes. Put an airline ticket in my hand and most of my common sense trickles out of my ears. I once turned up a day early for a flight and had to spend 24 hours in Toronto airport.

This safety period was noted during customer interviews even for those who know exactly how long it takes to travel from home to the airport:

> *We tend to set off a bit early, we know it takes us half an hour to get here from home but we allow extra, we don't leave it to chance.*
> (Consumer interview, summer 1997).

Anxiety can therefore generate longer dwell times within the airports, railway stations and hospitals, and consequently, generates greater amounts of time in which people can be using the commercial services and spending money.

However, longer dwell times do not automatically lead to a greater propensity to consume and the landlords of these sites recognise that controlling the location of customers during their dwell time can significantly affect commercial returns. As Connellan (1995, 7) notes:

> Work out the optimum time that you think is appropriate for the landside facilities that you have available and then arrange for the departure boards to bring people through passport control at the earliest opportunity to start spending in the duty and tax free area.

There are suggestions that dwell times have been manipulated at the airport, as William Chellingworth, of Burberry, suggested during interview:

> *I don't think they'd admit it but my goodness every time you go through they ask you to check in an awful long time before your flight, and I wonder, in*

> *the past it was for security checks, but I wonder how much of it is a commercial decision to get people to spend more.* (Interview, 26/7/95)

Such suggestions leave the landlords open to criticism from the consumers in the same way as some resent the manipulation of location design. There is a balance to be struck so that travellers are not called to the airport too early which produces feelings of resentment and negative reactions to the retailing on offer. However, the landlords need to give customers enough time to explore the retail outlets if they so desire, as a lack of time will severely limit the consumers propensity to consume.

The Emotional Journey (and the consequences for consumption)

The previous sections have illustrated how peoples' propensity to consume can be affected by design, sense of place and time . All of these elements affect consumers by shaping their emotions. However, peoples' emotions can also be affected both positively and negatively by the core function of the sites, be it to fly, catch a train, for health care or for fuel. Neil Whitehead, a director at Fitch, argues that "Nine tenths of retail environments ignore the crucial emotional component of today's consumer" (Whitehead, 1997). This section addresses this failure when examining how the emotions of potential consumers are a key element governing people's propensity to consume, whether those emotions are positive, exhibiting excitement and expectation, or negative, exhibiting anxiety and fear.

At airports, travellers' emotions are observed to be positively affected by various components of the 'airport experience'. One element is the relative novelty of the 'airport experience' for many - though not all - travellers. The novelty of the 'airport experience' engenders a certain level of excitement that is often associated with air travel and evocations of far away, exotic and mysterious locations (Newman, et al 1994, 1996). It is argued that this novelty generates a certain excitement which can lead to an increased propensity to consume, as one customer explained:

> *Certainly when you are at an airport it is such a relatively novel experience. I only fly say three or four times a year, so when you look at how many days a year you are in an airport it comes out as relatively small, so it's like oh wow, lets go and have a look at these shops.*
> (Consumer interview, summer 1997).

Many of the landlords and retailers interviewed for this thesis acknowledged these heightened emotions and argued that this differentiated consumers at the airports from those found at traditional retail locations, as Steve Hodgetts explained :

> *Many people at an airport don't see high street shopping as a pleasure, they see it as a chore that has to be done. At the airport they see it as an opportunity to put themselves first, it's 'me time'...When they are in an airport they are in that sort of mood that 'I'm important, I deserve something'.* (Interview, 13/12/96).

Furthermore, there is the view that air travel is both glamorous and elite which adds to the sense of anticipation felt by many people, even those who are frequent flyers (Newman, 1996).

Travellers' emotions may also be different at an airport due to the fact that many people are travelling for their holiday. It is again argued that this puts many customers in a different frame of mind, as Richard Jones, of Allders, explained during interview:

> *I think the leisure travellers who are travelling on holiday are in holiday mode and therefore their attitude to shopping is fundamentally different to the weekly grind on the high street. I guess they appreciate their credit card is going to take a bit of a battering and they therefore become less price sensitive and there is certainly evidence that they will trade up from their normal brand to something that's more aspirational because of the fact that they are on holiday. Also the fact that they are a select category of travellers and there is that kind of snob element to the fact that they are in an airport...you are a special person in a special place.* (Interview, 16/8/95)

Thus we can see that there are heightened emotions, or mood states, associated with being in an airport and being on holiday. These heightened emotions can directly effect people's propensity to consume, as one consumer interviewed suggested:

> *I could not afford anything, although being there put me in the mood to spend money. I had this feeling if I can afford to fly somewhere, I can afford to treat myself. I have termed this the 'enough to fly, enough to buy' syndrome. All those little things that you would like to buy come rushing to the fore.* (Consumer interview, summer 1997).

Understandably, this increased propensity to consume is recognised by the landlords and retailers, as Hodgetts (1995, 13) remarks:

> Never underestimate the sense of excitement our customers have about airports. Don't disappoint them and build on their excitement to satisfy their desire for self-gratification.

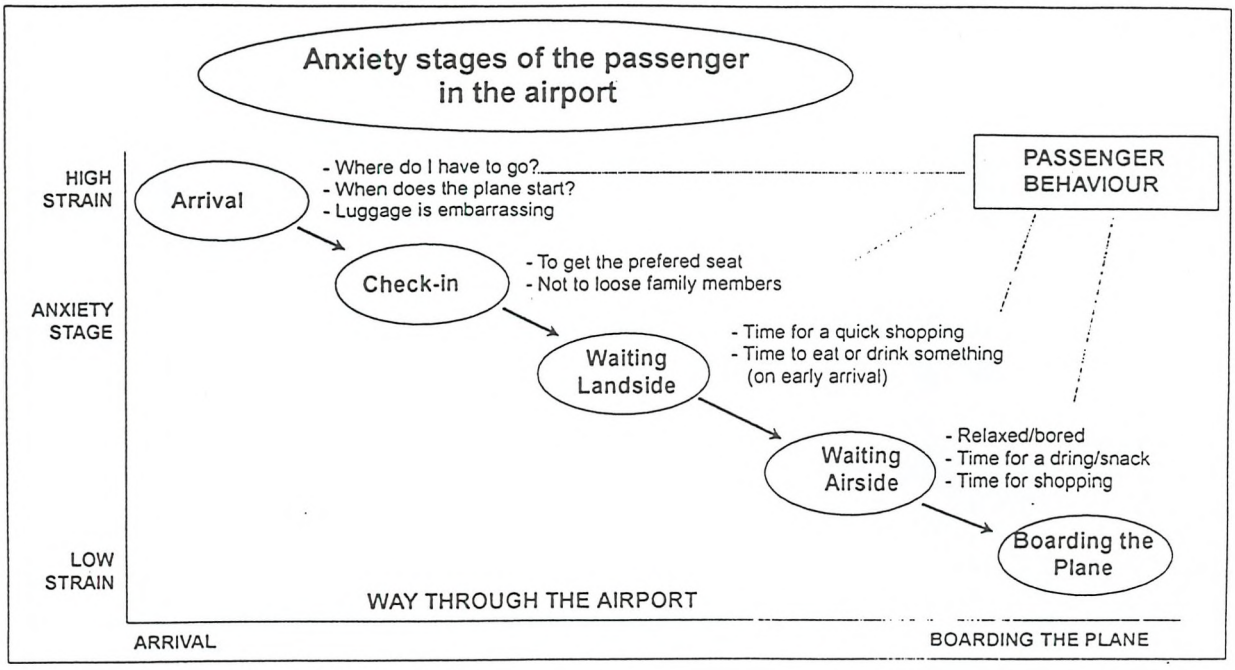
Although only the airports have been discussed with respect to peoples' moods being positively altered, some consumers at the railway stations, notably long distance leisure travellers, also exhibit similar uplifting emotions, as one railway user explained:

> *With Waterloo, I almost look forward to passing through there. I am in a much better mood when I am travelling somewhere. Particularly if I am on the outward journey I am looking forward to where I am going. So in Waterloo I know what is there and impulse purchase almost every time.* (Consumer interview, summer 1997).

It can therefore be argued that the change in emotions associated with the journey or 'airport experience' can lead to people being in a mood that engenders consumption.

The 'airport experience' does not, however, only lead to a heightened emotional state. For many travellers there is an element of anxiety and fear associated with that experience. Whilst this anxiety and fear can be seen to reduce the propensity of travellers to consume (a topic covered in the next section of this chapter), paradoxically, anxiety can also create an even greater level of consumption in airports and railway stations. With respect to airports it has been noted that the anxiety people experience changes over time. As such, it is argued that an emotional journey is experienced in parallel to the physical one, and this emotional journey has a clear impact upon people's propensity to consume. These anxiety 'stages' are represented in the work of Schwarz (1995) who outlines their relation to consumption (see Figure 6.8). In this diagram it is clear that the anxiety 'stages' at check-in are very high and so reduce the propensity to consume, falling gradually after check-in, to a state whereby the traveller is less anxious, even relaxed, and therefore more likely to consume.

Figure 6.8 The emotional journey and anxiety stages at the airport



Source: Schwartz (1995)

These anxiety 'stages' can be seen to partly control the propensity of travellers to consume. When tied to the heightened emotional state of the journey, the anxiety 'stages' can actually accentuate the propensity of people to consume in the low anxiety stage after check-in. John Harrison of Fitch, noted that this build up of anxiety starts before arrival at the airport:

> *At some stage everybody has experienced high levels of stress as a result of getting to an airport. You wake up in the middle of the night wondering what is going to happen...You are in the hands of fate as to whether you are going to get there or not, even for frequent travellers who leave the office too late and so are worried about getting there.*
> (Interview, 18/11/96).

Echoing Schwarz (1995), Harrison notes that anxiety or stress builds to a peak at check-in:

> *As you approach the airport the type of stress changes and now you have arrived its more about oh God there are enormous queues, or will I have to sit in the middle, or will I be stuck in smoking. A lot of business people spoke about pathetic things like if I'm late on the plane they won't have a*

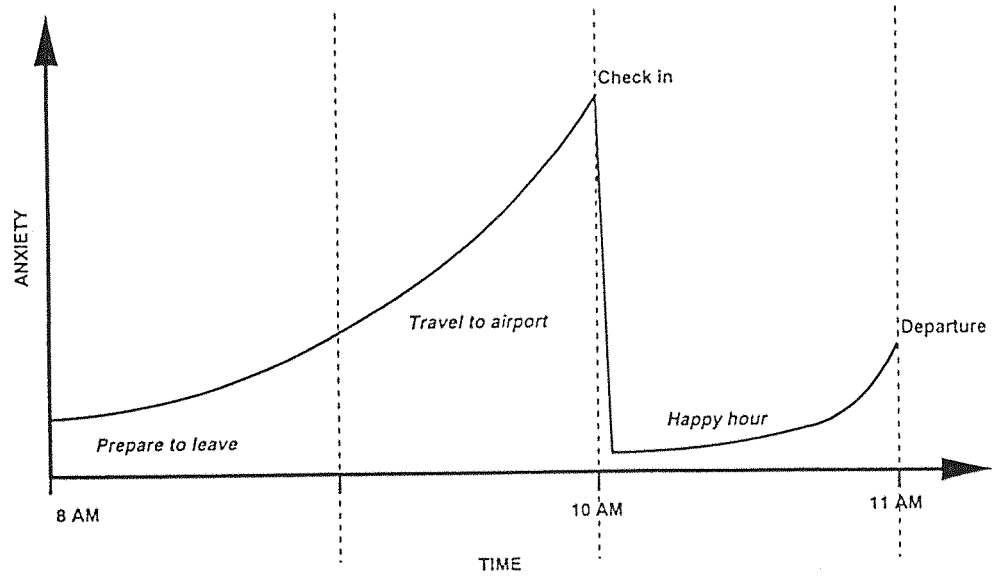
> *copy of the FT which I want to read. So they get stressed out and in parallel with this stress there is anticipation. Even for frequent travellers they are excited by it.* (Interview, 18/11/96).

However, once check-in is complete anxiety levels fall, but excitement is still high, creating a period Harrison terms 'Happy Hour':

> *It is only at the point when you are handed your boarding pass that stress levels begin to drop off. Anticipation levels continue to rise and at this point where stress levels drop off you enter a metaphorical state called 'Happy Hour'. There are very high adrenaline levels coupled with a desire to spend some money. People talk about it being like the first day of the sales.* (Interview, 18/11/96).

It can therefore be seen that an emotional journey at the airports has two components, excitement and anxiety, both of which build before check-in. However, after check-in anxiety levels drop whilst excitement remains high[17] (see Figure 6.9). This emotional journey thus shapes the overall propensity of travellers to consume within airports.

Figure 6.9 The emotional journey and happy hour



Source: After Harrison (1995)

[17] The argument espoused by Harrison during interview is supported by my own studies of the emotional journey, in which travellers were asked to note their emotions during a journey and note how this affected their propensity to consume. These accounts supported the notion that the period before check-in generates anxiety, which dissipates post check-in, leading to a feeling of wanting to do something, of which shopping was an option, although leisure activities were also noted (e.g. arcade games).

Although the airports and railway stations can both benefit from the heightened emotional state of people passing through them, the converse is also true for all of the sites studied in this thesis. That is to say, peoples' moods can be made worse by visiting airports, railway stations, hospitals and service stations as they are often associated with stress and anxiety. Whilst it is demonstrated that such emotions stimulate greater levels of consumption in some consumers, others react in an opposite way, reducing their propensity to consume.

At the airports, stress can be the result of a number of factors, from a fear of flying to anxiety related to departure times, check-in, way finding and getting lost. Much of this anxiety is built up prior to arrival at the airport and pre-check-in as one customer noted:

> *I feel nervous, especially if it is busy. We got straight through but if it is busy or you get held up on the motor way...*
> (Consumer interview, summer, 1997).

Another customer highlighted the fear of flying, saying:

> *I hardly slept the night before I flew...It kept occurring to me that there had not been a major plane crash for a long time!*
> (Consumer interview, summer, 1997).

This uneasiness with respect to missing flights and a fear of flying (or more accurately crashing) is supported by the research of Newman and his co-authors (1996) who argue that anxiety is greatest amongst infrequent travellers. Anxiety and stress are also familiar at the other locations. At the railway stations there are the same fears about missing trains and connections, with the possibility of long delays to the journey. At the airports, the crucial point seems to be that the passengers need to be able to see their departure gates whilst in the shopping area (Doganis, 1992). At railway stations people need to see platforms, or departure boards, whilst at the hospitals, it is important that the routes to the wards and clinics are clearly visible. If these gates, platforms and routes are not clear some people become anxious about where they should go next. This anxiety can lead to 'gate lock', whereby the consumers bypass the retail facilities and go straight to

their final destination in the sites, with negative consequences for the retailers' incomes (Humphries, 1996; Doganis, 1992).

The service stations also suffer adversely from the anxiety and stress associated with driving. Here the nature of the forecourt adds to the stress that consumers might feel, as John Harrison explained:

> *The petrol station is the obverse of an ideal retail environment in that on the high street you go from the cold pavement outside to a nice cuddly environment, whereas in a petrol station you get out of your nice comfy car and stand in the cold. So stress levels are very high and the minimum you can expect from a petrol station is to take away that stress.*
> (Interview, 18/11/96).

Added to this, the cost of petrol, and the fact that you pay for a product that you do not actually see, ensures that service stations are not popular destinations, so reducing the propensity of people to consume in them. It is therefore clear that whilst anxiety and fear may help to create 'Happy Hour' for some customers, for others, the anxiety, stress and fear associated with these sites has a negative impact upon their propensity to consume, which may be difficult for the landlords and retailers to overcome.

Conclusion

This chapter has demonstrated that retailing has become an integral part of the airports, railway stations, hospitals and service stations. The designers of these locations have increasingly come to consider the flows of consumers and direct these flows past the retailing facilities, in an attempt to maximise retail revenue. Furthermore, the image making qualities of retailing and particularly, branded retailing, are now seen to play a crucial role in producing the overall image of these locations even though it is not the core activity at these sites. Quality retailing helps to raise customer confidence, both of the retailing and the overall site, in turn helping to increase activity and profitability of the site in both its core and secondary functions. Within the airports, railway stations, hospitals and service stations, the value of brands is significant in establishing them as sites of

consumption and in generating the confidence of users of the core function to shop, thus boosting commercial revenue. This is a notion now recognised in most of these locations and it has become particularly prevalent in the service stations where the tie ups between the oil companies and branded food retailers have accelerated during the 1990s.[18] Furthermore, it has been argued that time and emotion impact strongly on the shopping process at these locations and that we can not fully understand why retailing succeeds or fails unless we have a better understanding of the consumers in these locations. However, it is clear that whilst these four key issues have been examined separately, it is the combination of these factors that has made retailing in airports, railway stations, hospitals and service stations the success that it is today and due consideration of these factors will also lead to greater success in the future.

However, it has also been noted that customers can feel manipulated and exploited in these locations. Furthermore, the possible homogenisation of retailing in these sites could result from the over use of national and international brands. Such manipulation and homogenisation could engender popular resentment of retailing and a loss of distinctness across the sites. Allied to the natural problems of time and anxiety, these locations thus present complex retail management problems that are not easily resolved. The creation of retail space is a complex process, and at each of these sites, managers are constantly developing their approach in a manner which increasingly recognises consumers as active and knowledgeable subjects and which avoids the crude attempts at manipulation and exploitation witnessed in the past. In this sense, it is significant that retail managers are taking the lessons from the high street and the shopping mall into these new retail locations, translating experience from one space to another.

[18] See Chapter Three for a review of recent collaborations between the oil companies and branded convenience, fast food operators, and supermarket chains

Chapter Seven
New Geographies of Retailing

Introduction

British retailing is a dynamic part of the economy in which locational and organisational transformations have occurred apace in recent years. Since the late 1960s and early 1970s, the retail sector has evolved from being a phenomena of the 'high street' to being increasingly decentralised. This retail decentralisation has taken place in three 'waves' with the consequence that new locations away from the 'high street' have become increasingly significant to the retail landscape. The first wave witnessed the move of grocery retailers to edge-of-town supermarkets in the late 1960s and early 1970s. The second wave, initiated in the 1970s, saw the emergence of retail warehouses and retail parks, in which retailers of predominantly bulky goods moved out of town centres. And the third wave of retail decentralisation involved the development of regional shopping centres, which provide an alternative to the high street. These developments have been a response to changing market conditions. Consumers have become more mobile, affluent, segregated, discerning, knowledgeable and demanding, both in terms of the goods they buy but also the locations and times at which they wish to shop.

Changes within the retail landscape have been of considerable interest to academics. Indeed, the work of geographers, with their gravity models, has been utilised in the assessment and planning of much retail decentralisation (see Wrigley, 1988). However, retail geography has not remained static and new theoretical and empirical developments have been made. Three strands of thought have developed in retail geography: orthodox retail geography, economic geographies of retailing and cultural geographies of retailing. In recent times retail geographers have attempted to draw together the various strands of the subject, to forge a 'new' retail geography which

examines the political-economic and the socio-cultural factors at work in the retail landscape.

The retail landscape is continuously changing and it is this continued dynamism which presents retail geographers with new possibilities for study. In this regard, the development of retailing in airports, railway stations, hospitals and service stations is a new phenomenon which has not yet been examined in academic research. Retailing in such locations is different from traditional high street locations and other decentralised retail locations. Furthermore, these sites can be examined to discern whether this (fourth wave) retail decentralisation has implications for the traditional retail locations, and whether these new developments signal the future of retailing in the UK. Thus, this research has examined the development of retailing in airports, railway stations, hospitals and service stations. These sites were chosen for a combination of reasons. First, they are non-traditional retail locations in which retailing is becoming increasingly prevalent. Second, their retail revenue is growing at a faster rate than the retail sector as a whole and, as such, these locations represent a developing sector of the retail landscape. Third, more than one site type was chosen to examine the wider significance of such developments and to assess whether there are common motivations for development across the sites. Finally, several sites were chosen to avoid what has been dubbed the 'tyranny of the single site' (Jackson and Thrift, 1995). In this way, the research conclusions can be argued to have significance for the retail industry at large and not just the single site in question.

This examination of the development of retailing in airports, railway stations, hospitals and service stations has concentrated upon four key issues:

- The motives of landlords to develop retailing in what can be described as non-traditional retail locations.
- The motives of retailers to expand into these locations.
- The motives of consumers to shop in these locations.

- How these non-traditional retail locations have been developed in a way which makes them successful shopping places from the perspective of landlords, retailers and consumers.

In examining these themes the research conducted for this thesis lies within the tradition of 'new retail geography'. As such, the thesis aims to include the economic, political, cultural and social factors behind the development of retailing in airports, railway stations, hospitals and service stations. In so doing, this thesis has demonstrated that the development and success of retailing in these locations is the consequence of wider processes of change in the economic, political, cultural and social landscape of the UK.

Landlords, Retailers and Consumers: The driving forces behind new geographies of retailing

Landlords

An examination of the motivations of the landlords for developing retailing within their sites highlighted the role of several political, economic and cultural factors in producing new retail geographies. As discussed in Chapter Three, one of the most dramatic sources of change in the retail landscape was corporate restructuring. The privatisation, commercialisation and increased regulation and competition within the core services of airports, railway stations, hospitals and service stations was shown to be a key factor responsible for a shift in the focus of these organisations from their core activity towards becoming broader 'post-Fordist' service providers. Privatisation/commercialisation of the airports, railways and hospitals and the increased competition witnessed on the forecourts had two main effects. First, it allowed the organisations greater financial freedom. Second, these changes affected the way in which the managers of these organisations viewed their role. A key outcome of these corporate changes was that the managers

increasingly considered their role as being to generate income (often as a responsibility to shareholders), rather than to provide the core service of the organisation. Thus, the increased commercialisation and commercial awareness of the managers of these organisations has proved to be a key element forcing them to seek alternative profit centres outside their traditional sphere of operations.

Political changes (such as the pursuit of a policy of privatisation) and economic pressures (resulting from regulation or competition) have changed the culture of the organisations studied in this thesis. The move to a more commercial culture, whereby managers considered alternative revenue streams, not just their core operations, has created the conditions in which retailing is developed.

Retailers

The retail landscape in the UK has altered radically in the last thirty years, and retailing has developed in many new places away from the traditional high street. Chapter Four illustrated that there were several factors influencing the retailers' in their development in airports, railway stations, hospitals and service stations. Retailers have experienced changes in the planning environment, changing retailer-landlord relations, and changing market conditions, which have presented new pressures and opportunities to develop in these non-traditional retail locations.

Government policies to restrict out-of-town development outlined in PPG6 and PPG13 present retailers with a significant problem when considering their retail development strategies. These policies were shown to provide significant incentives for the retailers to develop out-of-town in the short term (as permission for out-of-town development is becoming increasingly rare). However, the policy changes are already forcing retailers to reconsider the town centre locations many had previously vacated. Within this policy framework retailers see the potential of the sites studied in this thesis as

one way of continuing to develop in off-centre locations, as by and large, these sites fall outside of, or are actively promoted by, PPG6 and 13. As such, these non-traditional locations represent a spatial fix for those retailers wishing to develop away from the traditional high street location.

It was also demonstrated that the major driving force behind the retail developments witnessed within airports, railway stations, hospitals and service stations actually came from the landlords. In the initial phase of development it was the landlords of these locations that drove much of the retail development in their sites by approaching individual retailers, rather than the retailers recognising these locations as an opportunity for development. Furthermore, research demonstrated that the traditional relationships between retailers and their landlords have been supplanted by a far more co-operative approach based around partnerships. These retailer-landlord partnerships have an economic element which distinguishes these locations from more traditional retail locations and traditional retailer-landlord relations. By basing the rent on turnover, rather than fixed rents, the landlords have created a very different retail environment and this partnership approach to retailer-landlord relations may well herald the future of the retail industry at large.

Retail operations in these non-traditional locations, particularly in the airports, railway stations and service stations, were considered to offer the retailers several other benefits over the traditional high street. The use of these locations is a significant way in which retailers' brands can be projected to their target audiences, whilst also exploring the potential for profit in these locations. Furthermore, these locations represent a route by which national and international expansion strategies could be pursued. Such internationalisation strategies can be considered as part of the increasing globalisation of the retail industry. Retailers have been looking to expand on an international scale, rather than remaining confined to national boundaries, and several retailers have been attracted to the airports to pursue this corporate goal.

Consumers

Chapter Four demonstrated that the landlords' and retailers' actions were also governed by changing consumer demand. Changes in the consumers and their demands were examined in Chapter Five where it was demonstrated that a series of socio-cultural changes underlie the development of retailing in airports, railway stations, hospitals and service stations. The increased heterogeneity of consumer markets in the 1980s and 1990s, and changing consumer preferences for both the temporal and spatial provision of retailing, were shown to be related to broader changes in UK society. An increase in the level of female participation in the work force has resulted in women having more money to spend but less time in which to spend it, especially when in many cases they continue to carry the 'double burden' of domestic labour. Similarly, it was argued that most sections of the work force are experiencing increasing time pressures, and it was demonstrated that a significant and growing section of society are operating in a 24-hour society. This 'time-squeeze' experienced by consumers has a major impact upon the retail landscape. Time-poor, asset-rich, consumers are increasingly experiencing constraints on their consumption activities and the development of retailing in spatially convenient locations with longer (more convenient) opening times is an example of how the retail landscape is changing to meet these demands.

It was argued that changes in UK society have led to the emergence of a new consumer group, the 'Transumer', who the retailers must acknowledge as surely as they have acknowledged the development of youth markets and grey spending power. The development of this consumer shopping 'on the go' is responsible for the development of retailing in the locations studied here because without the consumer there would be no consumption. Thus, it is argued that socio-cultural changes are truly significant in the development of new geographies of retailing, as the retailers have responded to changing patterns of demand. The pioneering of new retail landscapes is thus a response to the

changing market, as well as a result of the economic and political forces impacting upon the retailers and landlords.

Landlords, Retailers and Consumers: An inclusive retail geography

In the past retail geographers have adopted a variety of approaches in their attempts to study the changing retail landscape. The emergence of a 'new' retail geography which acknowledges economic, political, social and cultural factors is broadening contemporary understanding. Throughout this thesis it has been argued that an understanding of the motives of landlords, retailers, and consumers are all necessary to gain a real appreciation of the changes in the retail landscapes in airports, railway stations, hospitals and service stations. Without this inclusive approach it is argued that an understanding of the developments in these locations would be partial.

Chapter Six demonstrated that elements of landlord, retailer and consumer motives shape the retail landscape in these sites. Prior to the 'commercialisation'/ privatisation of the organisations studied in this research, the focus of operations was fundamentally aimed at the provision of the 'core' service. During this time it was demonstrated that the customers/users of these facilities were not regarded as consumers of anything other than the core service. However, following the commercialisation of these organisations, the companies' gaze increasingly turned to their customers and the wider commercial opportunities they represented. The subsequent development of a customer focus in these locations has had two consequences. First, the quality of customer services are improved as the retailers and landlords recognise and respond to changes in the market and changing customer demand. Second, by becoming more customer focused and improving the customer experience, the landlords and retailers have transformed their sites from places designed around the operation of their core function to locations focused on customer service. The consequence of this commercial

awareness and customer focus has been the integration of retail activities as a core element of the sites, and commercial revenue has increased correspondingly.

The integration of retailing activities into these locations through design and the use of branded specialist retailers is a clear demonstration of the integration of economic and cultural elements in the creation of new retail geographies. This thesis thus posits that changes in the retail landscape are due to changing demand, competition and corporate environments, which are themselves shaped by the ever changing political, economic, social and cultural environment. It has been argued that each of these elements is part of a necessary relationship and that retail geographers who seek to understand changes in the retail landscape should not prioritise one above the other. As Marx (1973) argued when discussing the interconnections of production and consumption, the interconnections between landlords, retailers and consumers are complex and necessary. Without the landlords' desire for alternative profit centres, there would be no development of retailing in their sites as they would continue to concentrate on their core activities. Similarly, if the retailers saw no benefit from operating in these locations then they would not locate in such locations. Furthermore, even if both landlords and retailers considered the possibilities for retail development in these locations, a lack of consumer demand could prevent this, for there can be no consumption without consumers. In this way if any part of this three way relationship were not present, or only partial, then the resultant retail development would be either a failure, or as was the case in the past, relatively small scale (see Figure 7.1). Thus, it has been argued that it is impossible to understand the retail developments in airports, railway stations, hospitals and service stations without considering the political, economic, social and cultural influences on the landlords, retailers and consumers and their interconnections. Failure to do so will inevitably lead to an incomplete view of such changes in the retail environment.

Figure 7.1: The necessary components for retail development in airports, railway stations, hospitals and service stations

Consumer demand.
Spatial/temporal

Landlord desire for alternative profit centres

Retailers desire for income/exposure

Future prospects

The inclusive approach utilised within this thesis, allied to the empirical evidence presented, has been an attempt to draw together economic, political, social and cultural perspectives in retail geography. In so doing, the research has highlighted how issues such as changing political regulation, commercial liberalisation and changing consumer demands have created a series of imperatives to which the landlords and retailers have responded. However, it is clear that these imperatives are not static and change is an ever present reality. Such constant change and evolution in the retail landscape mean that there will always be new retail geographies.

A significant trend highlighted throughout this thesis is the development of retailing in many unlikely settings. There is a retail take-over occurring, from the locations studied in this research, to other diverse locations and sectors. The ferry operators and Eurotunnel are two further transport related locations, but the retail take-over is not limited to this type of site. Sports stadia and leisure complexes (such as cinemas, bowling alleys and ice rinks) are recognising the commercial advantages of having some form of retailing in their sites. So too are museums, galleries, universities and schools. Such developments suggest that the locations in which retailing is encountered will continue to diversify in the future.

With continued technological developments the future locational freedom of the retail encounter appears to be boundless. As consumer-retailer relations have shifted in favour of increasingly demanding consumers, so those consumers have more control over where and when they shop (as is evident in the examples studied in this thesis). The growing use of electronic retailing could see the locational freedom of retailing taken a step further as the balance of the retail encounter shifts from the shop to the consumer. Consumers will be increasingly able to order goods from their homes, or even whilst 'on the go' (at work, or on the train for example) using the computer network. As such, the geographical pattern of retailing could alter radically as goods may be delivered direct to the home, or to convenient locations such as railway stations or service stations. Ironically, the future may witness traditional transport companies such as BAA and the rail operators, becoming more retail oriented, whilst the retailers themselves focus more on transport and distribution.

The prospect of using convenient locations such as service stations for collecting goods (particularly bulky necessities such as groceries) came a step closer with the recent announcement that BP and Safeway are to invest £180 million in a national network of mini-supermarkets at service stations (Hollinger, 1998).This development highlights several of the key themes presented in this thesis, whilst also signalling the changing face of UK retailing. First, it is noted that consumers are increasingly demanding more convenient provision of retailing, and the move by Safeway is an attempt to take a share of what is currently a fast growing £15.5 billion a year convenience market. Second, this development is taking place against a backdrop of a mature grocery retailing market, and as such, convenience retailing represents a growth area for the supermarket giants. And third, the move towards convenience retailing in petrol service stations is a result of falling profitability in fuel retailing, and the resultant desire to seek alternative profit centres. Moreover, in the context of electronic retailing there is a clear potential for interactive home shopping, with time-poor, asset-rich, consumers ordering their groceries at home or 'on the go'. Such goods could be collected from the supermarket-

owned convenience store located at the local service station, which is open 24 hours a day, 365 days a year. This new retail geography may not be long in arriving, further illustrating the dynamic landscape of retailing in the UK.

Appendix

Introduction

Two face to face consumer questionnaire surveys were carried out by the myself in the airports, railway stations, hospitals and service stations. Each consisted of a series of questions (listed below) asked to 479 interviewees. Interviewees were randomly selected over a period of days in each location. The questionnaires were conducted in situ as it was believed that people's reasons for shopping would be more apparant to them as they were actually undertaking the activity.

Lifestyle Questionnaire

1) What hours do you normally work? O Standard "9-5" O Flexy time O Shift work O Don't work O Night shift work O Other

2) During your working week are shops open when you want them to be? O Always O Usually O Not usually O Never

3) Do you agree with this statement: "My time is scarce"? O Stongly agree O Disagree O Agree O Strongly disagree

4) Why? ☐ Work ☐ Family commitments ☐ Unemployed ☐ Retired ☐ Other

5) When do you normally shop? O Every day O Week days O Week end O Other

6) Do you top up / convenience shop?
O Daily
O Regularly (once a week or more)
O Occasionally (every two weeks or more)
O Rarely (less than every two weeks)
O Never

7) If yes when? ☐ Way to / from work ☐ At work ☐ Lunch time ☐ When not at work ☐ Other

8) If yes where? ☐ Railway station ☐ Supermarket ☐ Petrol station ☐ Other ☐ Shops at work ☐ Village store ☐ Airport ☐ High street ☐ Convenience chain (e.g. Spar) ☐ Hospital

9) Why that location? ☐ Quick (no queues) ☐ Close to home / work ☐ On way to / from work ☐ Price ☐ Going there for other purpose (combining activites) ☐ Opening times ☐ Range available ☐ Availability of fast food ☐ Brand of store ☐ Other

10) What have you bought? ☐ Fast food / snack food ☐ Groceries ☐ Drink ☐ Confectionery ☐ Cigarettes/ tobacco ☐ Alcohol ☐ Perfume ☐ Newspapers / books / music ☐ Clothing ☐ Chemists product ☐ Other ☐ Nothing

11) Why have you bought it? ☐ Run out ☐ Impulse ☐ Other ☐ Hungry / thirsty ☐ Pre-planned

12) What household category do you fit? O Married O Pre-family O Empty nesters / no family
O Single O Family O Post family / retired

13) Male / Female O Male O Female

14) Age O <15 O 20-24 O 35-44 O 55-64
O 15-19 O 25-34 O 45-54 O 65+

15) Mode of transport to interview location O Combination O Bus O Plane O Bicycle
O Car O Train O Foot O Other

16) Time of interview O Before 11 am O 11-2 O 2-5 O 5-8

17) Day O Weekday (ex Friday) O Friday O Saturday O Sunday

18) Location O Airport B O Airport H O Petrol E O Rail L O Rail W O Hospital T
O Airport G O Petrol A O Petrol Sc O Rail M O Hospital S O Control

Lifestyle Questionnaire Results

1) What hours do you normally work?

Group	Count	%
Don't work	16	3.34
Flexy time	111	23.2
Shift work	67	14.0
Standard "9-5"	285	59.5
Total	479	

2) During your working week are shops open when you want them to be?

Group	Count	%
Always	13	2.71
Usually	80	16.7
Not usually	370	77.2
Never	16	3.34
Total	479	

3)Do you agree with the statement "My time is scarce"?

Group	Count	%
Strongly agree	155	32.4
Agree	289	60.3
Disagree	26	5.43
Strongly disagree	9	1.88
Total	479	

4) Why?

Group	Count	%
Family commitments	226	47.18
Work	428	89.35
Retired/unemployed	9	1.87
Other	110	22.9

NB. More than one category could be chosen.

Combinations of answers.

Group	Count	%
Family commitments	10	2.09
Work	175	36.5
Retired/unemployed	9	1.88
Other	26	5.43
Family commitments/work	175	36.53
Family commitments/other	6	1.25
Family commitments/work/other	35	7.51
Work/other	43	8.98
Total	479	

5) When do you normally shop?

Group	Count	%
Everyday	6	1.25
Weekdays	113	23.6
Weekend	359	74.9
Other	1	0.209
Total	479	

6) Do you convenience shop?

Group	Count	%
Daily	55	1.5
Regularly (once a week or more)	233	48.6
Occasionally (every 2 weeks or more)	139	29
Rarely (less than every two weeks)	50	10.4
Never	2	0.418
Total	479	

7) If you convenience shop, when?

Group	Count	%
At work	96	20.04
Lunch time	45	9.39
When not at work	329	68.68
Way to/from work	288	66.12
Other	19	3.97

NB. Respondents could give more than one answer.

8) If you convenience shop, where?

Group	Count	%
Railway station	63	13.15
Shops at work	12	2.5
Supermarket	33	6.89
High street	14	2.92
Local/village store	134	27.97
Convenience chain (e.g. Spar)	134	27.97
Petrol station	230	48.01
Airport	0	0
Hospital	47	9.81
Other	6	1.25

NB. Respondents could give more than one answer.

9) Why that location? (Main reason)

Group	Count	%
Quick	10	2.09
Close to home/work	365	76.2
On way to/from work	71	14.82
Price	8	1.67
Opening hours	22	4.59
Other	3	0.63
Total	479	

11) Why have you bought something here?

Group	Count	%
Hungry/thirsty	267	55.7
Impulse	24	5.01
Need/pre-planned	70	14.61
Other	155	32.36

NB. Respondents could give more than one answer.

13) Male/female.

Group	Count	%
Male	242	50.5
Female	237	49.5
Total	479	

14) Age

Group	Count	%
20-24	80	16.7
25-34	129	26.9
35-44	123	25.7
45-54	112	23.4
55-64	26	5.43
65+	9	1.88
Total	479	

15) Mode of transport to interview location.

Group	Count	%
Car	270	56.4
Combination	5	1.04
Foot	77	16.1
Train	127	26.5
Total	479	

16) Time of interview

Group	Count	%
Before 11am	103	21.5
11-2	136	28.4
2-5	140	29.2
5-8	98	20.5
8-11	2	0.42
Total	479	

17) Day

Group	Count	%
Weekday (ex Friday)	379	79.1
Friday	46	9.60
Saturday	14	2.92
Sunday	40	8.35
Total	479	

18) Location

Group	Count	%
Airport B	42	8.77
Airport G	36	7.52
Airport H	41	4.56
Control	40	8.35
Hospital S	30	6,26
Hospital T	50	10.4
Petrol A	40	8.35
Petrol E	39	8.14
Petrol SC	41	8.56
Rail L	40	8.35
Rail M	40	8.35
Rail W	40	8.35
Total	479	

Propensity to consume questionnaire

1) Do you expect shops like this in this location? O Yes O No O Don't know

2) Do the shops sell what you expect? ☐ Exactly ☐ More expensive ☐ Less luxuries ☐ More choice ☐ Less expensive ☐ Not at all ☐ Less choice ☐ More luxuries ☐ More or less

3) Is there anything here you didn't expect? O Yes O No O Don't know

4) If yes what? ☐ Food ☐ Drink ☐ Range ☐ Particular store ☐ Other

5) Does price effect whether you shop here?
O Yes its too expensive
O Yes its good value
O Yes I won't pay too much
O Yes its cheaper here than elsewhere
O Yes I know they match the high street prices
O No

6) Is the retailing in this site well integrated into the location? O Very well integrated O Not well integrated O Well integrated O Very poorly integrate O Adequate

7) Do you consider this site to be a normal shopping place? O Yes O No O Don't know

8) Do you expect branded retailing in this site? O Yes O No O Don't know

9) Do brands effect whether or not you shop in this location? O Yes O No O Don't know

10) How do brands effect your shopping behaviour?
☐ Brands are too expensive
☐ They give me confidence in the product
☐ I know what I am getting
☐ I only buy brands
☐ They are better quality

11) Is the retailing on offer at this site different from others of its kind?
O No they are all the same
O Not much difference
O Yes there is some difference
O Yes there's nothing else like it

12) How does time effect your consumption patterns in this site?
☐ If I'm in a rush/late I won't shop here
☐ I shop here if I'm in a rush/late
☐ If there is a delay I will use the shops here
☐ I always leave time to go round the shops
☐ If its late I'll shop here because its open
☐ If there's time to kill I will browse round
☐ Other

13) Do you feel anxious or excited before your journey? O Anxious O Excited O Both O Neither

14) What factors effect your shopping at this location?
☐ Location ☐ Special offer ☐ Mood
☐ Range ☐ Price ☐ On holiday
☐ Brands ☐ Signage ☐ Previous experien
☐ Products ☐ Design/layout ☐ Other
☐ Need ☐ Time
☐ Desire ☐ Anxiety/excitement

15) What house hold category do you fit? O Married O Pre-family O Empty nesters/no family O Single O Family O Post-family/retired

16) Male/Female O Male O Female

17) Age O <15 O 15-19 O 20-24 O 25-34 O 35-44 O 45-54 O 55-64 O 65+

18) Mode of transport to interview location O Combination O Bus O Plane O Bicycle O Car O Train O Foot O Other

19) Time of interview O Before 11am O 11-2 O 2-5 O 5-8

20) Day O Weekday (ex Friday) O Friday O Saturday O Sunday

21) Location O Airport B O Airport H O Petrol E O Rail L O Rail W O Hospital T O Airport G O Petrol A O Petrol Sc O Rail M O Hospital S

Propensity to consume questionnaire results

1) Do you expect shops in this location?

Group	Count	%
Yes	332	69.3
No	146	30.5
Don't know	1	0.21
Total	479	

2) Do the shops sell what you expect?

Group	Count	%
Yes	6	1.3
More choice	351	73.3
More luxuries	36	7.5
More expensive	14	2.9
More or less	128	26.7
No	1	0.2

NB. Respondents could give more than one answer.

3) Is there anything here you didn't expect?

Group	Count	%
Yes	417	87.1
No	61	12.7
Don't know	1	0.2
Total	479	

4) What didn't you expect?

Group	Count	%
Range	319	66.6
Food	87	18.2
Drink	1	0.2
Particular store	222	46.3
Other	75	15.7

NB. Respondents could give more than one answer.

5) Does price affect whether you shop here?

Group	Count	%
No	67	14.0
I won't pay too much	361	75.4
It's good value	28	5.8
It's too expensive	23	4.8
Total	479	

6) Is the retailing well integrated into this location?

Group	Count	%
Very well integrated	121	25.3
Well integrated	210	43.8
Adequate	101	21.1
Not well integrated	38	7.93
Very poorly integrated	9	1.88
Total	479	

7) Do you consider this site to be a normal shopping place?

Group	Count	%
Yes	138	28.8
No	340	71.0
Don't know	1	0.2
Total	479	

8) Do you expect branded retailing in this site?

Group	Count	%
Yes	314	65.5
No	164	34.2
Don't know	1	0.2
Total	479	

9) Do brands affect whether you shop in this location?

Group	Count	%
Yes	434	90.6
No	39	8.14
Don't know	6	1.25
Total	479	

10) How do brands affect you shopping behaviour in these locations?

Group	Count	Percentage
Brands are too expensive	34	9.0
They give me confidence in the product	382	79.7
I know what I am getting	306	63.9
I only buy brands	10	2.0
They are better quality	137	28.6

NB. Respondents could give more than one answer.

11) Is retailing in this site different to others of its kind?

Group	Count	%
No all the same	13	2.7
Not much difference	72	15.0
Yes there is some difference	248	51.8
There's nothing else like it	146	30.5
Total	479	

12) How does time affect your consumption patterns in this site? (First choice)

Group	Count	%
Always leave time to shop	21	4.4
Shop here if in a rush	87	18.2
Don't shop here if in a rush	35	7.3
If it's late shop here 'cos it's open	75	15.6
If there's a delay I will shop	102	21.3
If there's time to kill I will shop	77	16.1
Other	80	16.7
Total	479	

13) Do you feel exited or anxious before your journey?

Group	Count	%
Anxious	42	8.77
Excited	28	5.85
Both	39	8.14
Neither	370	77.2
Total	479	

14) What factors affect you shopping when you are inside this location? (First choice)

Group	Count	%
Anxiety/excitement	14	2.9
Brands	24	5.0
Location of goods/stores	70	14.6
Needs	51	10.6
Previous experience	17	3.5
Price	36	7.5
Range of goods/stores	59	12.3
Time	175	36.5
Other	33	6.9
Total	479	

16) Male/female.

Group	Count	%
Male	235	49.1
Female	244	50.9
Total	479	

17) Age

Group	Count	%
20-24	114	23.4
25-34	112	23.4
35-44	108	22.5
45-54	109	22.8
55-64	23	4.80
65+	13	2.71
Total	479	

18) Mode of transport to interview location.

Group	Count	%
Car	295	61.6
Combination	26	5.43
Foot	42	8.77
Train	104	21.7
Bus	3	0.63
Other	9	1.88
Total	479	

19) Time of interview

Group	Count	%
Before 11am	65	13.6
11-2	202	42.2
2-5	154	32.2
5-8	58	12.1
Total	479	

20) Day

Group	Count	%
Weekday (ex Friday)	394	82.3
Friday	1	0.209
Saturday	44	9.19
Sunday	40	8.35
Total	479	

21) Location

Group	Count	%
Airport B	43	8.98
Airport G	42	8.77
Airport H	41	8.56
Hospital S	50	10.4
Hospital T	47	9.81
Petrol A	42	8.77
Petrol E	45	9.39
Petrol SC	41	8.56
Rail L	43	8.98
Rail M	44	9.19
Rail W	41	8.56
Total	479	

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